LOOKING TO
NEW HORIZONS

Walt Disney Productions
Annual Report 1983


LOUISE McCALL

"The Prologue and the Promise," the spectacular 19-by-60-foot canvas featured in the new Horizons Pavilion presented by General Electric at Epcot Center, is the work of famed space/science fiction artist Bob McCall. While the mural depicts humankind's progress through the ages, it focuses on a bright future — a subject we find most appropriate for both the cover and the theme of this report.

FINANCIAL HIGHLIGHTS

(Thousands of dollars, except per share data)	1983	1982	Change
Revenues	**$1,307,357**	$1,030,250	+27%
Net income	**93,160**	100,093	−7%
Per share	**2.70**	3.01	
Cash dividends	**41,100**	39,742	+3%
Per share	**1.20**	1.20	
Additions to property, plant and equipment	**291,202**	648,765	−55%
Additions to film production costs	**84,518**	52,295	+62%
Stockholders equity	**1,400,528**	1,274,784	+10%
Per share	**40.58**	38.22	

PRESENTATION OF THE FINANCIAL INFORMATION

Management is responsible for the preparation of the Company's consolidated financial statements and related information appearing in this annual report. Management believes that the consolidated financial statements fairly reflect the form and substance of transactions and that the financial statements reasonably present the Company's financial position and results of operations in conformity with generally accepted accounting principles. Management has also included in the Company's financial statements amounts that are based on estimates and judgments which it believes are reasonable under the circumstances.

The independent accountants examine the Company's consolidated financial statements in accordance with generally accepted auditing standards and provide an objective, independent review of the fairness of reported operating results and financial position. The independent accountants' report is set forth on page 36.

The Board of Directors of the Company has an Audit Review Committee composed of three nonmanagement Directors. The Committee meets periodically with financial management, the internal auditors and the independent accountants to review accounting, control, auditing and financial reporting matters.

Management's explanation and interpretation of the Company's overall operating results and financial position, together with the basic financial statements, are set forth in the Financial Review section of this report beginning on page 28 and should be read in conjunction with the entire report. For readers desiring additional detailed financial information, the notes to consolidated financial statements, although an integral part of the basic financial statements, are included in a separate section of this report (see Index on page 36).

To Our Stockholders, Employees and Associates:

The Horizons pavilion mural gracing the cover of this year's annual report was selected for reasons beyond its grandeur. I believe it is a symbolic representation of the achievements of your company in 1983. It was a year in which the foundations were built that place Walt Disney Productions on the threshold of exciting new horizons.

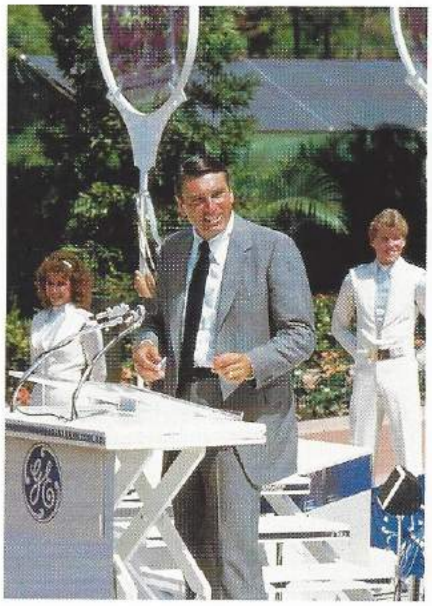
– Epcot Center, in its first year of operations, became an international landmark, a magnet for tourists beyond compare. Attendance at Walt Disney World soared to 22,712,000 against 12,560,000 the previous year.

– Tokyo Disneyland opened and became an instant success. On a single day last summer, more than 94,000 people were at the first international Disney theme park, establishing a new attendance mark in the 28-year history of Disney outdoor entertainment.

– The Disney Channel was launched with a commitment to innovative family entertainment and it became the fastest growing pay television service in the history of the cable industry.

– An all-new Fantasyland was opened at Disneyland with immediate positive impact on attendance. The fairy tale attractions of old were revitalized by Disney "Imagineers" with state-of-the-art technology, including holograms, fiber optics, three-dimensional animation and other new special effects that evolved out of Epcot Center design concepts.

Epcot Center, Tokyo Disneyland, The Disney Channel and the new Fantasyland all represent substantial investments in our future. They involved worthwhile commitments of financial and creative resources that establish a foundation for long-term profitability. We expect our company to flourish because we have created unique value along with competitive and strategic advantage in the marketplace.



Financial results for fiscal 1983, the 60th anniversary of Walt Disney Productions, were a disappointing paradox. Revenues rose sharply for the year primarily because of the opening success of Epcot Center while earnings declined for the corporation as a whole. In our judgment, this decrease in overall earnings was a sacrifice that was made to position the company for future growth and expansion. In this year of transition, the true inherent strength of the company is best reflected in the public acceptance of our new ventures and the other accomplishments of 1983.

During fiscal 1983 we experienced our 16th consecutive year of record revenues, despite a still-awakening economy, especially on the international scene. Revenues for the year ended September 30, 1983, reached $1.3 billion, a 27% increase from the prior year, while net income declined 7% to $93 million, or $2.70 per share.

The decline in net income was primarily due to an anticipated $28.3 million operating loss incurred by The Disney Channel, the $21 million write-down of "Something Wicked This Way Comes" to its net realizable value, and net interest expense of $14 million in the current year as compared to net interest income of $15 million in the prior year.

The management transition went smoothly during my first year as chief executive officer. It has been most important to have the counsel and expertise of our new board chairman, Raymond L. Watson, and the support of a dynamic and experienced Disney executive management team.

We have also strengthened the Board of Directors with the elections of Robert H. B. Baldwin and Samuel L. Williams. Mr. Baldwin is the former chairman of Morgan Stanley Inc., while Mr. Williams is an attorney who has served as president of both the Los Angeles County Bar Association and the State Bar of California.

Two of our current directors, William H. Anderson and Richard T. Morrow, will not be standing for reelection in February, although their services will still be available to the board. In accordance with established board policy, Mr. Anderson is taking his retirement and will assume the title of director emeritus while Mr. Morrow has determined that he would best serve the company and the stockholders by narrowing his role to that of vice president and general counsel, the positions he now holds.

And, it is with deep personal sadness that I report the loss of Director Emeritus Gordon E. Youngman, who died in May after serving on the board for 30 years. His contributions to Walt Disney Productions and the community were many and his loss will long be felt.

When Ray Watson assumed the duties of chairman last May, he intended to be available only on a limited basis. As our long-range plans began to crystalize, it became clear that his full participation in our daily business affairs would be invaluable. He has consequently sacrificed his other personal business interests to dedicate himself to the future of Walt Disney Productions.

His past experience and leadership as president and chief executive officer

of the Irvine Company, one of the nation's largest and most successful community developers, assumes added significance as we further examine the long-term development of our Florida land holdings. Ray spent a total of 17 years with the Irvine Company, the last four, from 1973-77, as its chief executive.

Ray has already played an instrumental role in guiding the development of a formalized, long-range strategic planning process within our organization. Working closely with Vice President for Corporate Planning, Frank Stanek, procedures and disciplines have been put in place that will ensure that all units of the company are working in concert towards set corporate goals.

With the enthusiastic public acceptance of Tokyo Disneyland, an area of logical future interest is the potential for another international theme park, now that we have a seasoned team in place, skilled and experienced in all critical areas of exploration, analysis and development.

For the new fiscal year, our paramount goals are to make the motion picture segment of our business profitable again and to provide The Disney Channel with the support required to sustain its thrust toward the profit line. I am confident that we have taken great strides in both areas.

Early in 1983, we formed Walt Disney Pictures as a separate company responsible for the development, production and marketing of all our live-action film and commercial television programming. After an extensive search, we selected Richard L. Berger to direct those efforts as president of the new company.

Dick had a long and distinguished record at 20th Century Fox and CBS Television. He has moved quickly to build and strengthen every facet of film and television operations with an experienced and talented team.

We are determined to broaden our theatrical audiences without compromising Disney entertainment values. We know that the Disney name communicates special feelings and values to a substantial, worldwide audience. It's a public trust we cherish and one we will never violate.

As Dick said recently: "We're not going to sacrifice image for expedient, short-term gain. Our direction is quality and we expect to adhere to it. We're definitely not going to use exploitive, violent or tasteless material. We will always be above the common denominator of community standards for decency and sensibilities."

Animation, which continues under my direct supervision, has always been the mainstay of our feature film efforts. We continue to be the unquestioned world leader in this magnificent, imaginative vehicle for entertainment. I am most pleased with the progress we are making in our goal of producing a major feature every two years.

Work is proceeding well on "The Black Cauldron," scheduled for a 1985 release, while "Basil of Baker Street" moves from development into the production phase. Several other animation projects are in development.

The public response to The Disney Channel has been most gratifying and its growth has exceeded our expectations. The operational losses were anticipated in the start-up of the operation and are in line with current projections that estimate a break-even point by mid-to-late 1985.

We have achieved working agreements with all of the multiple system operators in the country, a vital preliminary step towards entry into all major markets. We are now cablecasting in all 50 states.

The Disney Channel's future has been enhanced by our purchase of two transponders on Hughes Communications Galaxy I satellite. They will eventually replace the leased space we now have on Western Union's Westar V. The state-of-the-art technology will guarantee the absolute finest in home reception and open new markets. The purchase of transponders is financially advantageous and it demonstrates our commitment to this fast-growing new medium.

The centerpiece of this dynamic year of growth was, of course, Epcot Center. We easily surpassed our own early projections of 20 million admissions for Walt Disney World and the new showplace was firmly established as one of the world's great attractions.

We're not resting on our laurels. Horizons, presented by General Electric, officially opened on October 1, 1983, the first anniversary of Epcot Center. In its exploration of 21st Century lifestyles, it is a synthesis of all the themes of Future World and its reception has been outstanding.

The day after we opened Horizons, we marked the beginning of one of the most challenging and imaginative construction projects the Disney organization has ever undertaken—"The Living Seas" Pavilion, presented by United Technologies Corporation. We will, in effect, create a miniature ocean in a tank that will be the largest man-made marine environment anywhere in the world.

On the same day, we broke ground on the Kingdom of Morocco showcase, the first major addition to our family of nations. The attraction will feature towering minarets and other landmarks, a bazaar of native crafts, historical artifacts and an authentic Moroccan restaurant.

WED Enterprises is now designing a Scandinavian showcase under a preliminary design agreement with Norwegian business interests. It will combine the cultures of Norway, Sweden and Denmark in another exciting World Showcase presentation.

In addition, the ethnic restaurants of World Showcase have proven so popular that plans are well underway for additional restaurants in Italy and France and two dining facilities for China.

Our Consumer Products segment continued to grow during the year, paced by the outstanding performance of our music company, despite another difficult year for the record industry.

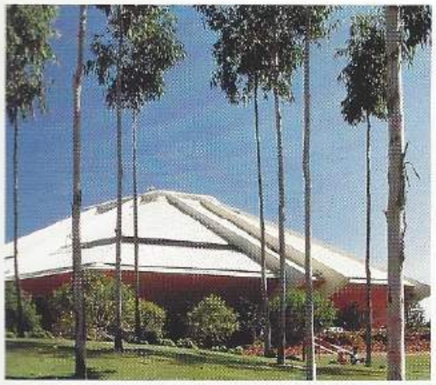
Your company is financially strong and vibrantly creative as we start our seventh decade. We look to the future with the same enthusiasm, pride and confidence that has contributed so much to our past success.

We know that as long as our vision is measured in terms of generations rather than months or even years, we will always be on the threshold of new horizons.

November 30, 1983

Ron Miller

Ron Miller
President and
Chief Executive Officer



Entertainment and Recreation

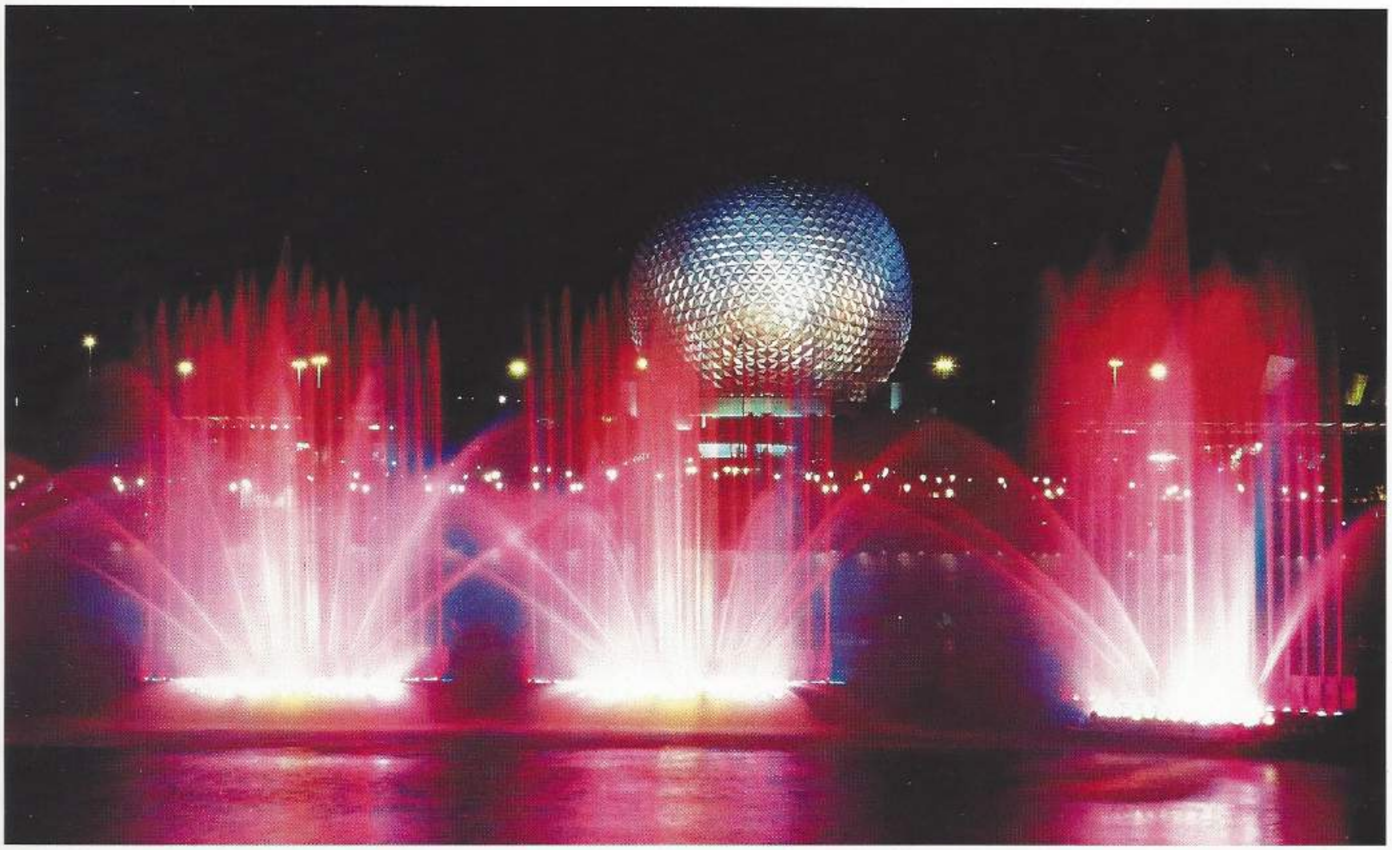
Walt Disney World

Epcot Center's first full year of operation passed into history October 1, its legacy an astounding and lasting impact on the landscape, economy and future of Central Florida and, indeed, the nation.

Any standard barometer for measuring success was simply inadequate as attendance and public response eclipsed all estimates and predictions.

Attendance, originally projected for 20 million combined for

The spectacular opening of the Horizons Pavilion heightened Epcot Center's first anniversary celebration.



Epcot Center and the Magic Kingdom, topped 22.7 million by year's end.

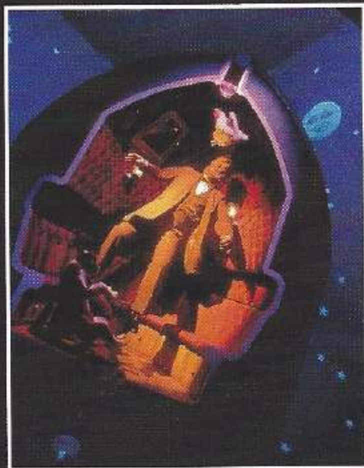
The most advanced entertainment complex in America became a showcase to the world of the ingenuity and imagination of American free enterprise.

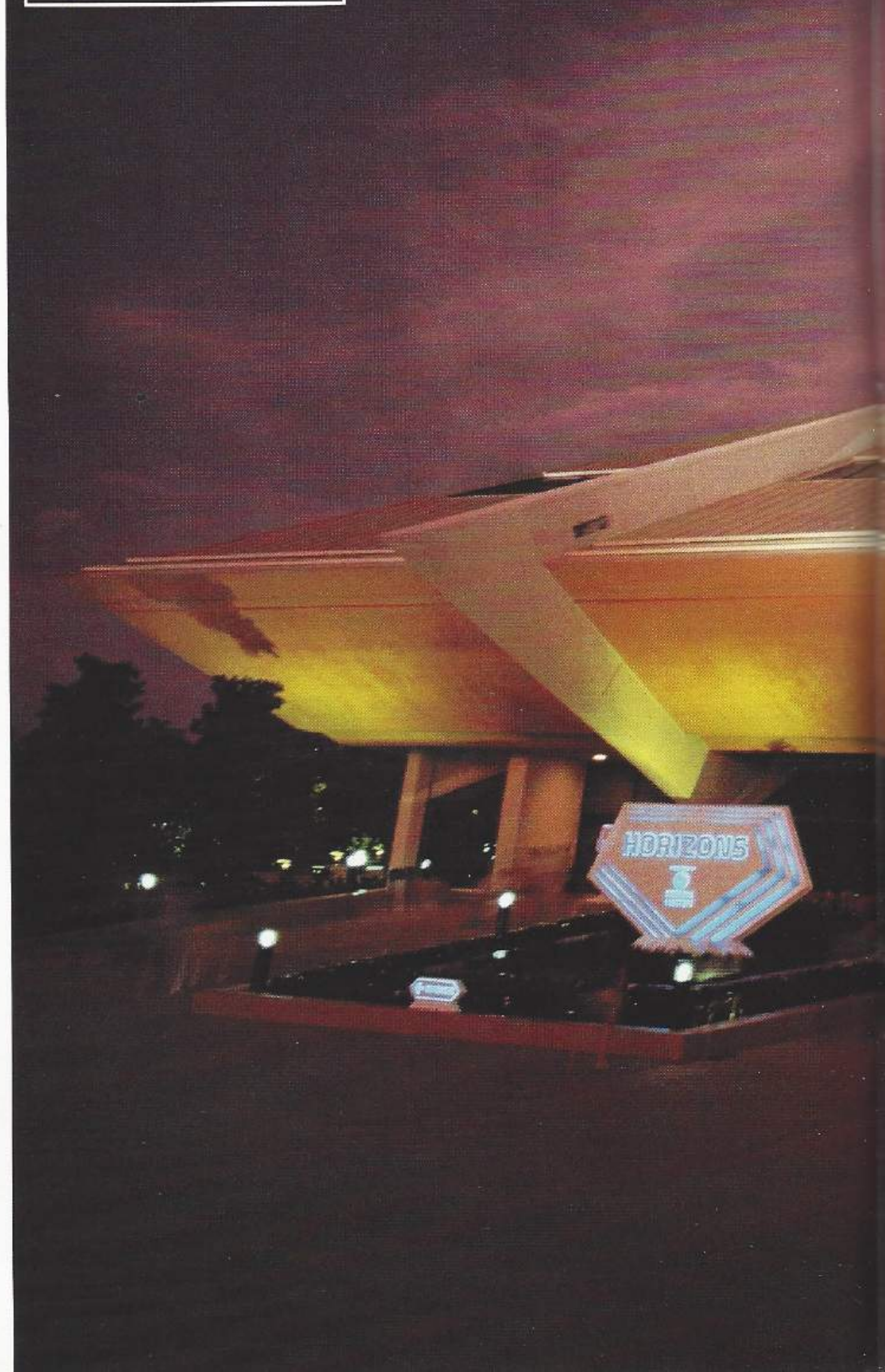
The first anniversary was marked in a spectacular manner with the grand opening of the seventh major pavilion in Future World — Horizons, presented by the General Electric Company.

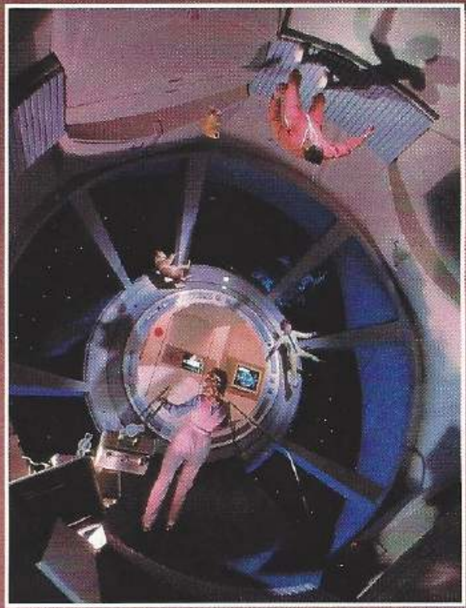
And, the planned expansion was just beginning. Work is underway for the eighth major Future World pavilion, "The Living Seas," which will feature the largest man-made tropical reef environment in the world and will be presented by United Technologies Corporation.

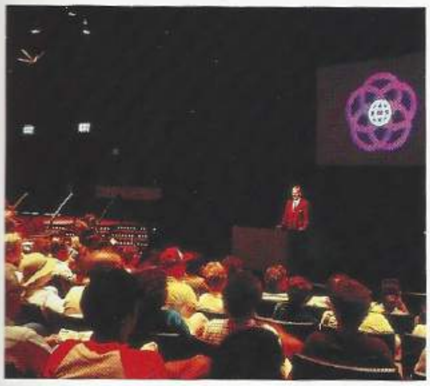
"The Living Seas" will provide fascinating looks at the ways high technology is opening earth's newest frontier and will also serve as a marine research center. It is

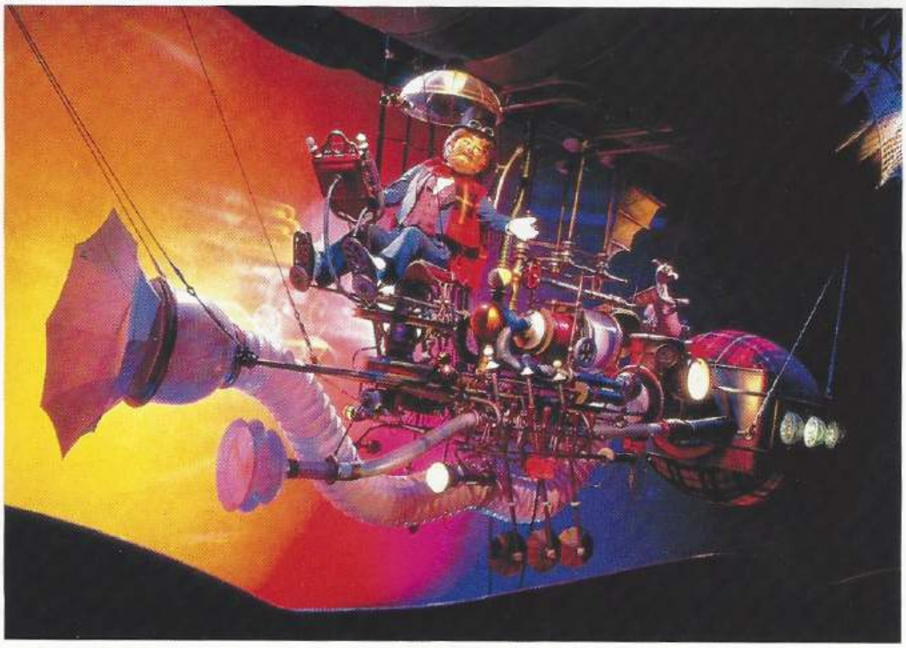
Horizons, the seventh jewel in Epcot Center's Future World crown, has enjoyed spectacular public response since its official opening October 1, 1983. Horizons features, clockwise from top, Jules Verne in his "bullet rocket;" a whimsical look at the predictions of the visionaries of yesteryear; a futuristic look at farming in the 21st century; and possible lifestyles in outer space. At top right, Walt Disney Productions President and Chief Executive Officer Ron Miller officiates with United Technologies Senior Vice President Raymond D'Argenio in symbolic opening of floodgates for "The Living Seas" pavilion now under development. At bottom right, soil from Central Florida and the major cities of Morocco are joined at groundbreaking ceremonies for Morocco pavilion in World Showcase.



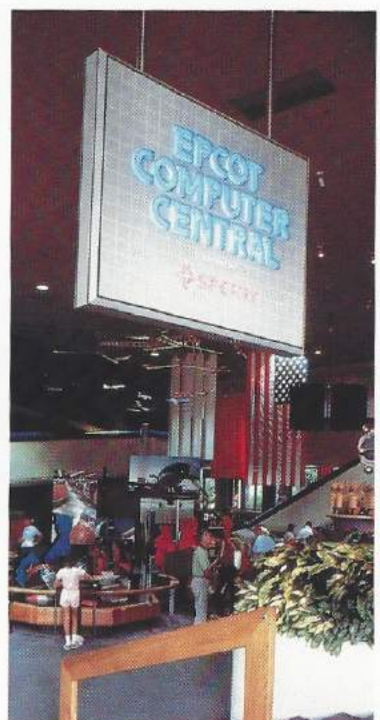


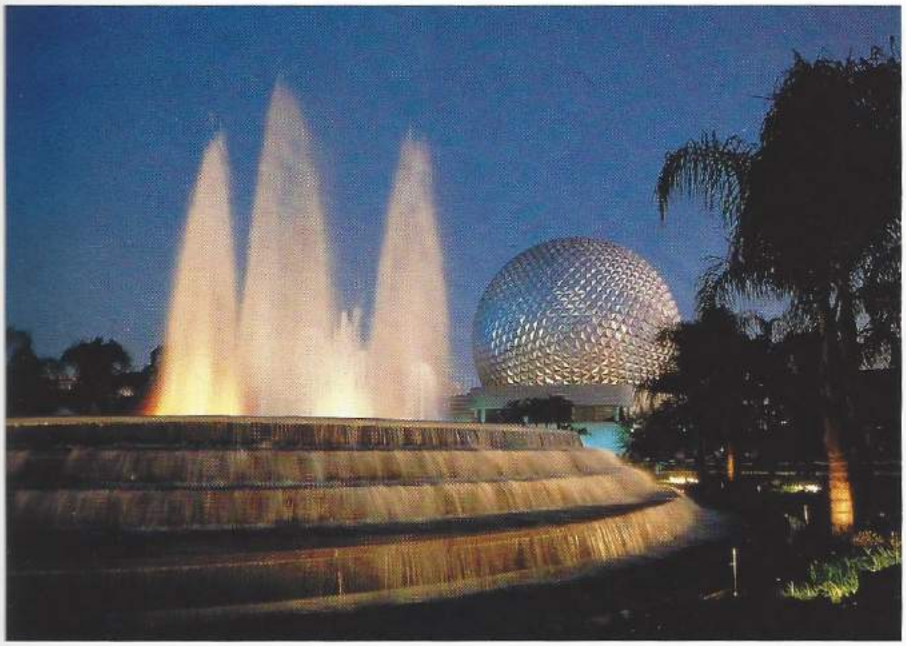


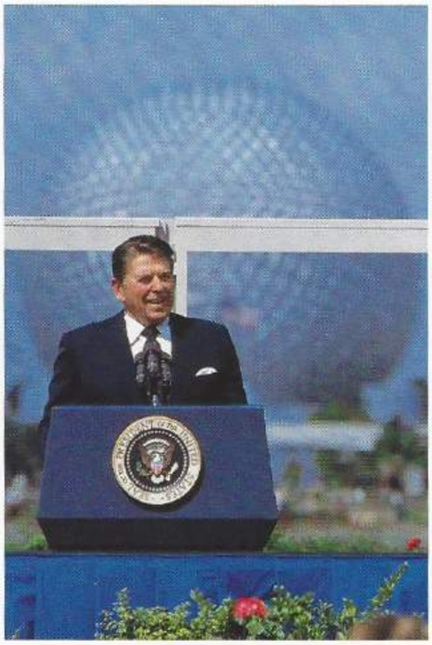




The magical combination of entertainment and education continues to awe visitors to Epcot Center, including President Ronald Reagan.







Entertainment and Recreation

(In thousands)	1983	Change	1982	Change	1981
Revenues	**$ 1,031,202**	**+42%**	$ 725,610	+5%	$ 691,811
Operating income	**196,878**	**+48%**	132,645	+2%	129,474
Operating margin	**19%**		18%		19%
Theme park attendance	**32,692**	**+42%**	22,981	−6%	24,564

Total theme park attendance was up 42% over the prior year, due to the favorable public response to Epcot Center at Walt Disney World, which officially opened October 1, 1982.

Increased revenues and operating income for fiscal 1983 reflect the significant rise in attendance. Other factors contributing to the increase in revenues were higher per cepita guest spending at the parks and resorts and the inclusion of royalties from Tokyo Disneyland since it commenced operations in April, 1983. Guest spending was favorably influenced at Walt Disney World by an average 13% admission price increase and the introduction of a 3-day pass. Disneyland revenues in 1983 benefitted from a 10% admission price increase in June, 1982. In fiscal 1982, revenues were up from 1981 primarily due to admission price increases averaging 8-10% at both parks and the sale of the Epcot Center commemorative tickets.

Costs and expenses were higher for fiscal year 1983 principally due to the addition of Epcot Center as well as an increase in labor rates averaging 10% at Disneyland and 7% at Walt Disney World. These rate increases were slightly lower than fiscal 1982 increases of 11% and 9%, respectively.

Gross profit margins for food and merchandise continued to improve during fiscal 1983. The overall operating margin for the segment also improved during fiscal 1983. However, less than expected attendance together with higher operating costs at Walt Disney World depressed the operating margin in the fourth quarter. The Company has learned during this initial year of operation of Epcot Center that the traditionally heavy concentration of attendance at Walt Disney World in the latter half of the year is lessening as earlier quarters improve. The result of greater attendance more evenly distributed throughout the year fulfills an objective previously established by management.

Subsequent to the end of fiscal 1983, the Company increased admission prices, averaging 6% at Disneyland and 13% at the Magic Kingdom and Epcot Center, effective October 9, 1983.

scheduled for completion and opening during 1986.

In addition, two new pavilions will be joining World Showcase in the future. First up will be the Kingdom of Morocco, scheduled to open October 1, 1984. The architecture of the Morocco Pavilion will represent a variety of regional characteristics, ranging from the harbor of Tangier to the imperial city of Marrakesh.

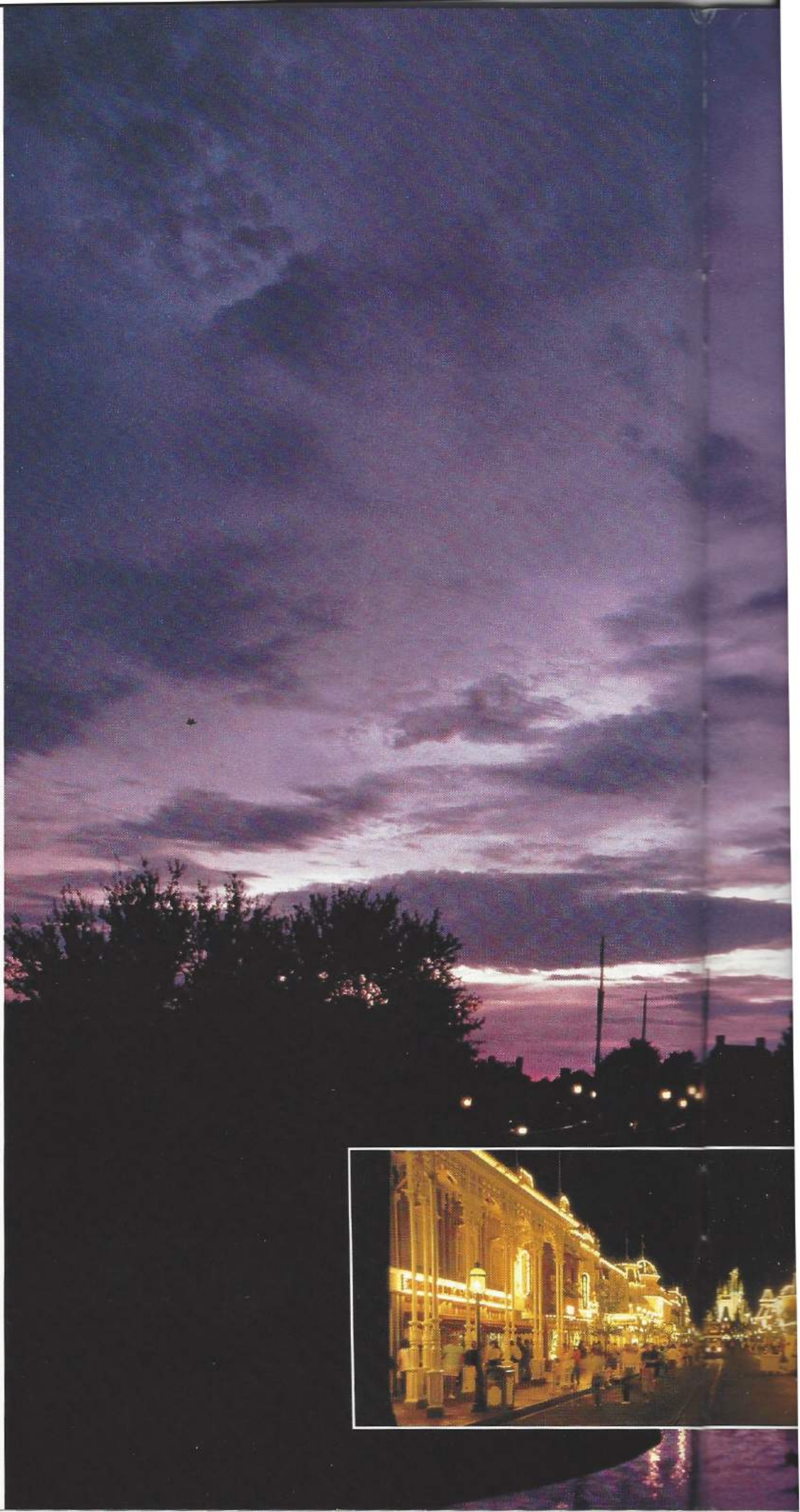
And, in October, 1983, a preliminary design agreement was reached for the development of a Scandinavian Pavilion to spotlight the cultures of Norway, Sweden and Denmark.

Also in development are showcases for the nations of Israel and Spain.

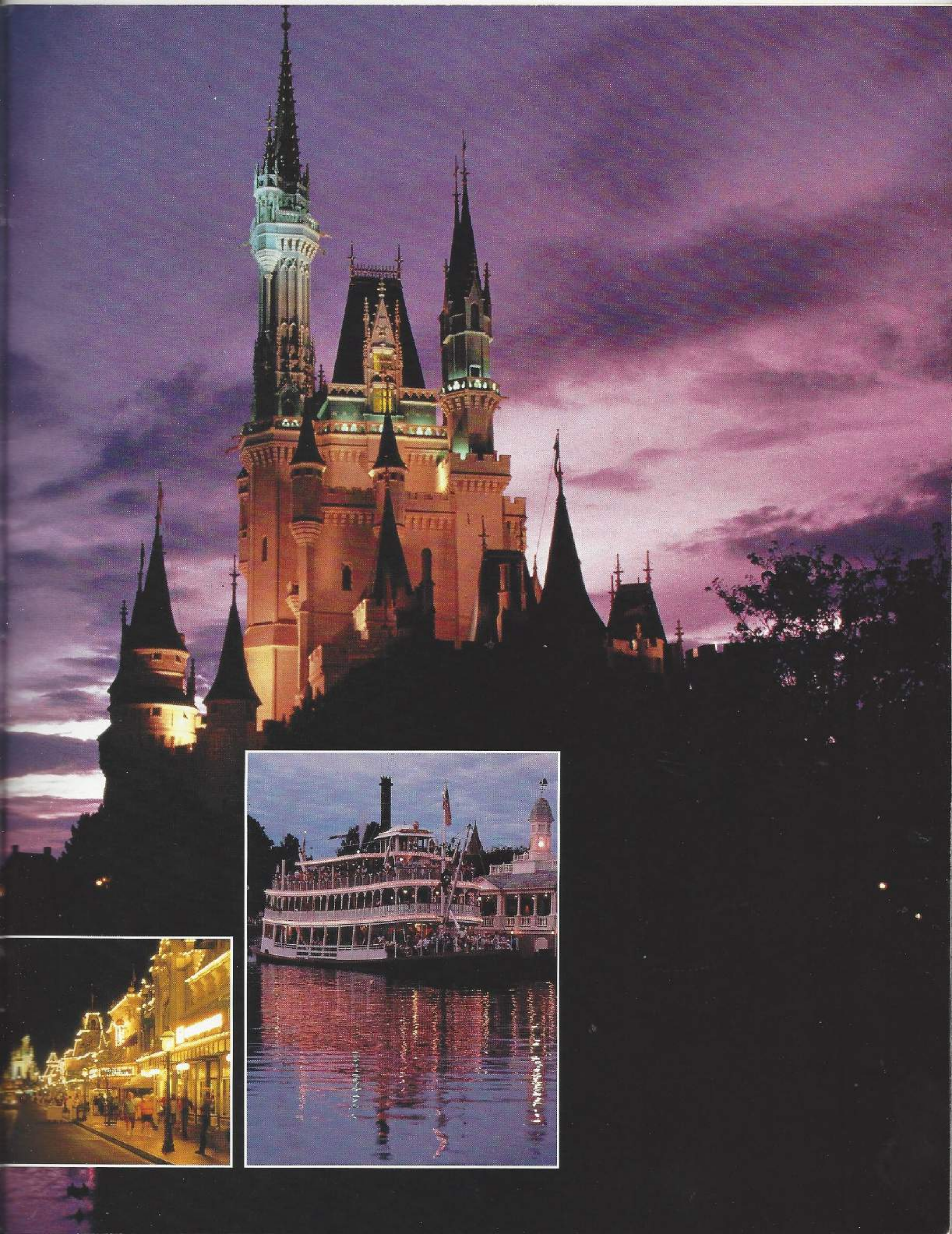
The opening during the year of two major hotels, owned and operated by third parties on leased Disney property, considerably eased the strain on room availability and even more accommodations are now in various stages of development.

In May, the 880-room Buena Vista Palace opened in Walt Disney World Village's Hotel Plaza and November saw the debut of the new 800-plus-room Hilton Hotel in the same area. Discussions were going on at the end of the year with several hotel chains for future major on-property facilities.

Work is also in progress for 217 new rooms at the Polynesian Resort, 138 rooms at the Golf Resort, an additional 112 individual family Treehouses, 184 Club Lake Villas, and 357 new campsites at Fort



The popularity of the Magic Kingdom has only been heightened by the addition of its sister attraction, Epcot Center. In all, more than 22.7 million guests enjoyed the pleasures of the world's number one resort destination during the fiscal year.



Wilderness. All are expected to be operational by the Spring of 1985.

The popularity of ethnic dining experiences in World Showcase has also led to new and expanded facilities there. New restaurants are being developed for France, Italy and China, in addition to those planned for the new pavilions.

Overall, the continuing success of Epcot Center has had a most dramatic effect on the economy of Central Florida, leading to a construction boom in the area.

"In its first year, Epcot Center has done for Orlando what the opening of Walt Disney World did 12 years ago," said the executive director of the Orlando Chamber of Commerce.

And, like 12 years ago, the consensus is that it's just beginning as the Company's long-range planning for the 43 square-mile Florida property comes into clearer focus.


POPCORN
FRESH

Disneyland

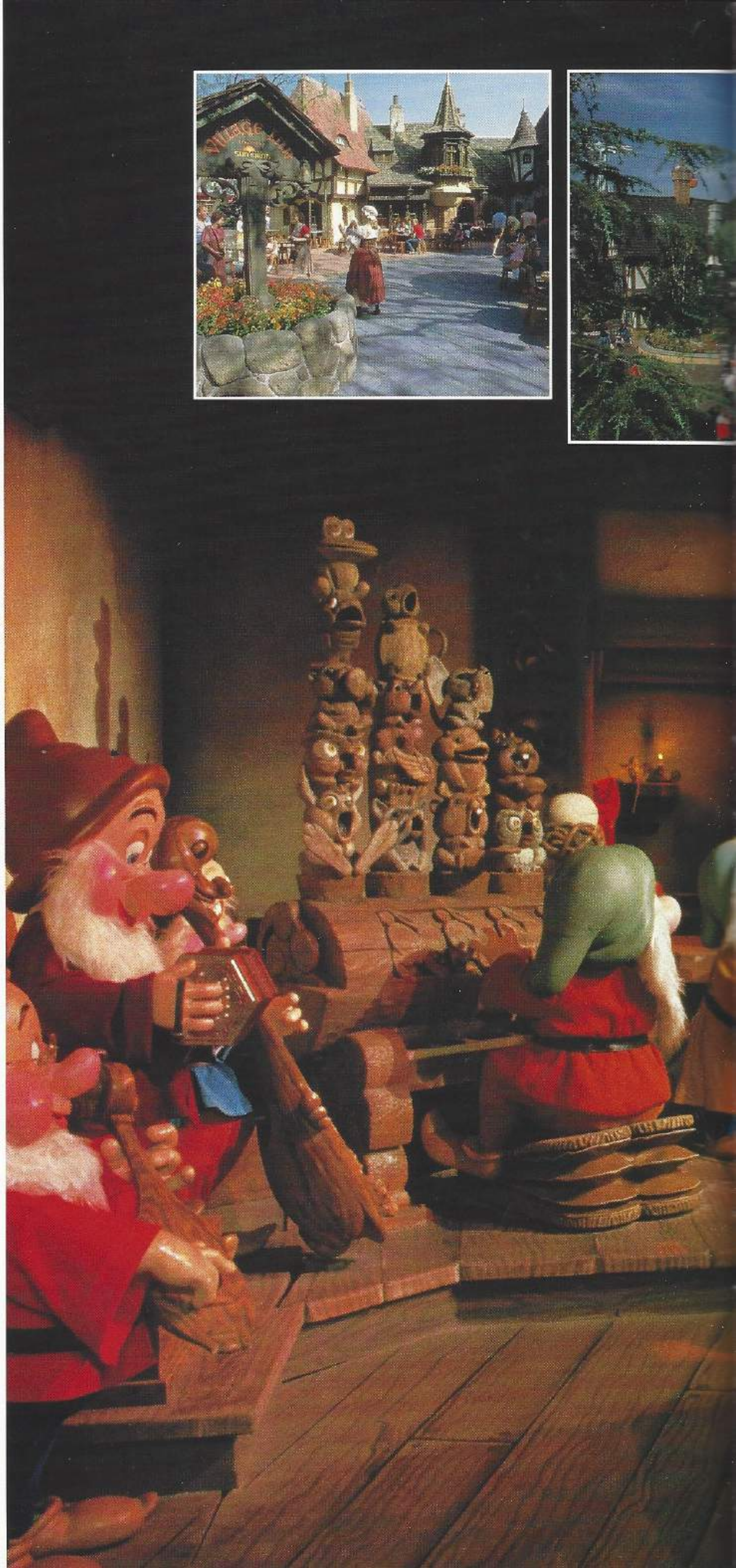
The unveiling of the spectacular all-new Fantasyland in May rekindled America's love affair with her original theme park, sparking an immediate turnaround in attendance figures.

No event in Disneyland's history was so well-covered by the media and with the help of satellite uplink provided by the park, the story became an international one.

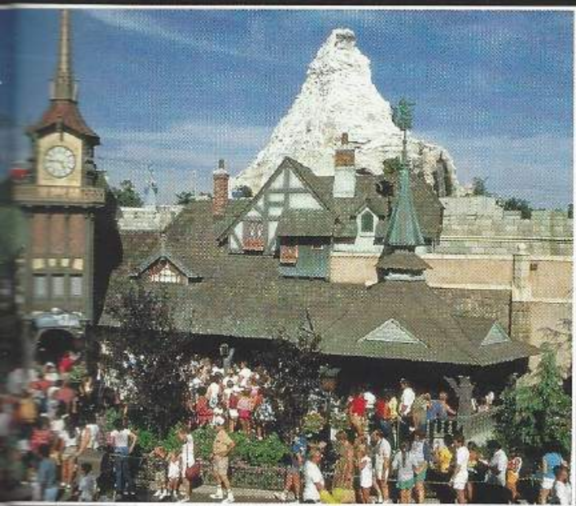
After years of planning and creating, including bringing two of Walt Disney's original animators out of retirement as consultants, Walt's dream of restoring Fantasyland became a reality.

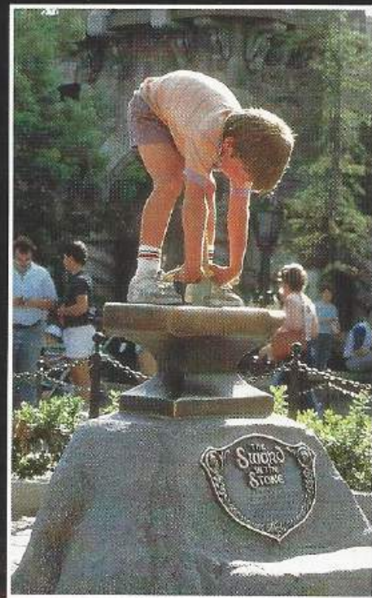
For the first time since opening day, the drawbridge to Sleeping Beauty's Castle was lowered on the morning of May 25, and children streamed eagerly across it into Fantasyland. Included were many of the same "children" who originally ran across the bridge in 1955, accompanied now by their own boys and girls, thereby capturing the essence of Fantasyland as a timeless place shared and loved by all generations.

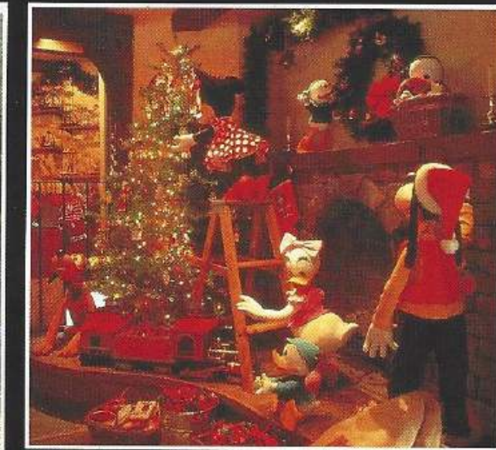
More magical than ever, Fantasyland now displays the look of a quaint Old World village, carefully aged so that it appears hundreds of years old. Where flat-painted banners once awaited the guests,



The all-new Fantasyland, its Old World village atmosphere considerably enhanced by the Matterhorn in the background, has added a special dimension to Disneyland's appeal to people of all ages.








SNEEZY

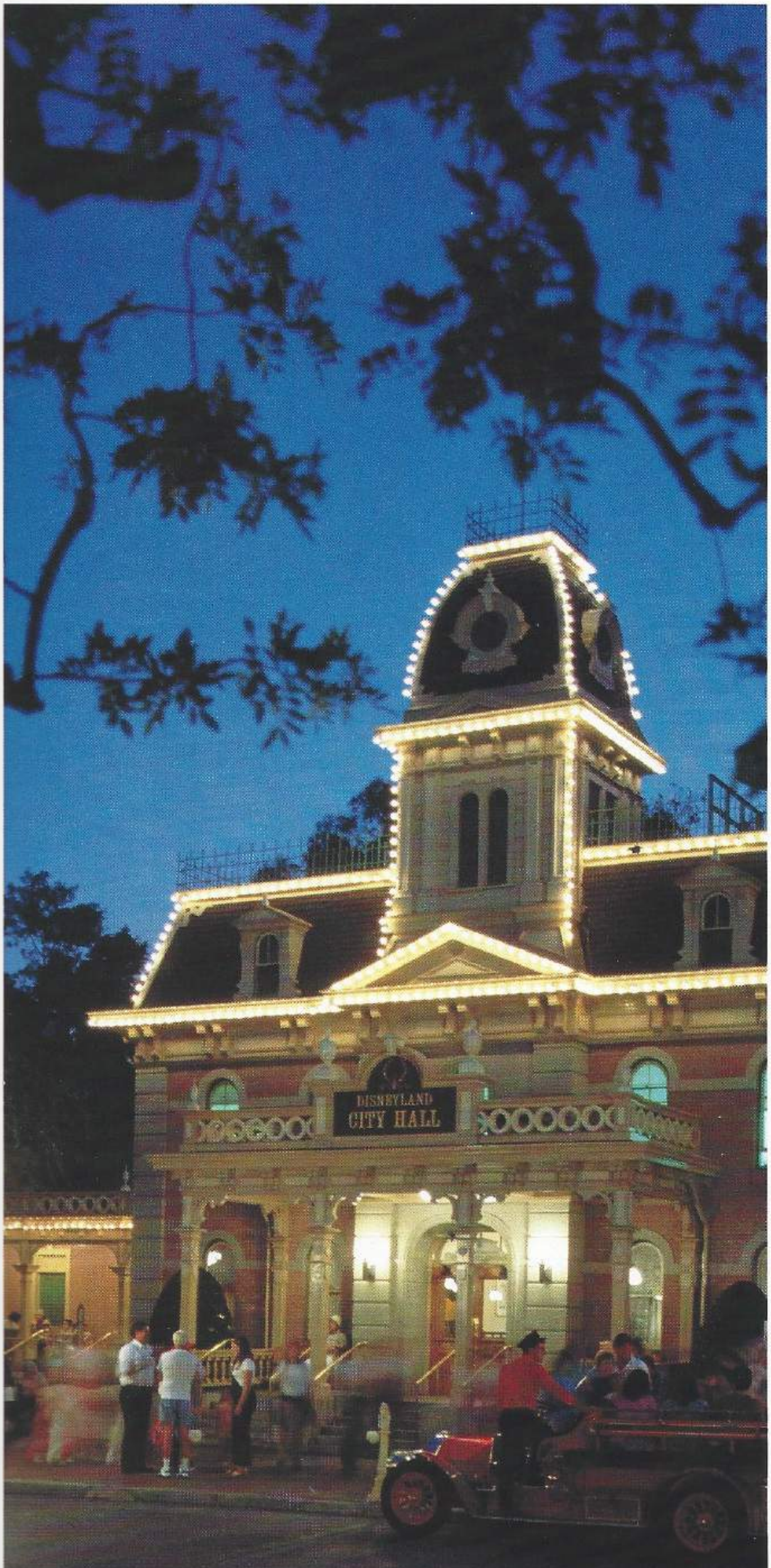
now they find cottages and castles complete with turrets, gables and gargoyles.

With the addition of state-of-the-art technologies developed by Disney "Imagineers" for Epcot Center, Fantasyland has an entirely new feel.

Using fiber optics, three-dimensional animation, black light painting, and other special effects, WED's "Imagineers" updated "Snow White's Scary Adventures," "Mr. Toad's Wild Ride," and "Peter Pan's Flight" attractions. More importantly, they added a brand new adventure based on the Disney classic which inspired the original Fantasyland, "Pinocchio's Daring Journey."

Guests also enjoy a new restaurant, the Village Inn, which brings the atmosphere of "Pinocchio" right to the table. "Dumbo the Flying Elephant" now sports a new look, including an intricate clockworks-type contraption at its center, and the addition of gold-plated water fountains.

And, in the Spring of 1984, the restoration will be complete with the scheduled opening of the new "Alice in Wonderland." Also on tap for a Spring opening is the all-new "The American Dream" Circle-Vision presentation that replaces

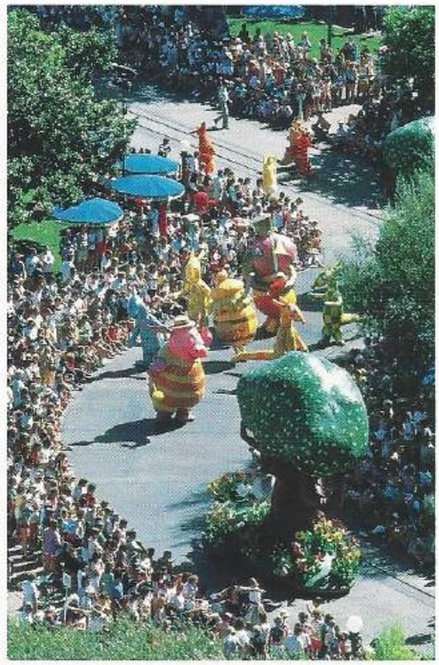


the long-running "America the Beautiful" show.

Sponsored by PSA, the official airline of Disneyland, "The American Dream" will be exhibited in a revitalized, state-of-the-art theater equipped with advanced technical capabilities making varied films and flexible schedules possible.

A new pre-show area will feature a light-hearted look at the history of travel and the principles of flight that will combine new Disney animation with live-action footage.

Plans are also in full swing for 1985 when the park will celebrate its 30th anniversary and welcome the 250 millionth guest.



Tokyo Disneyland

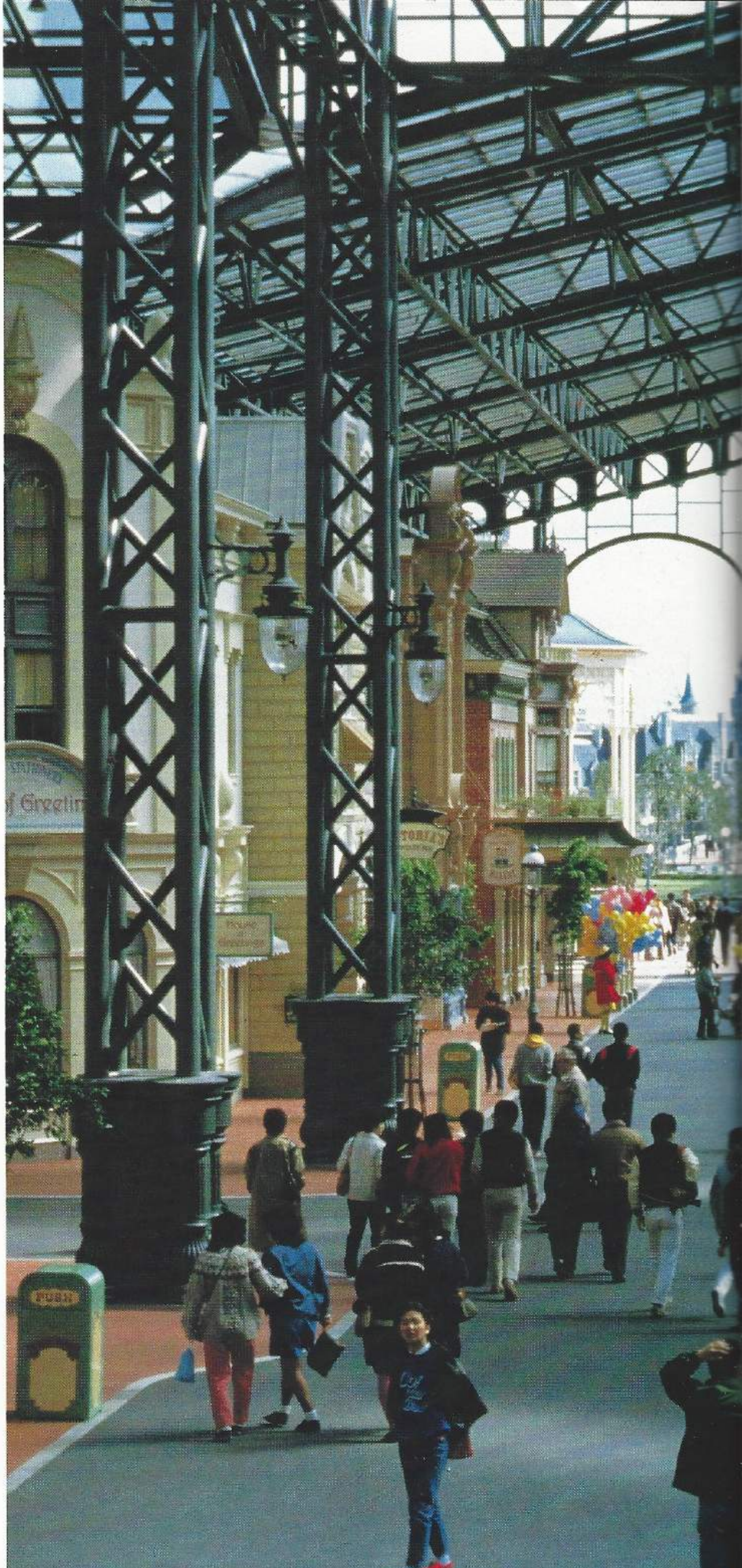
Any concern that Disney theme park appeal might be a uniquely American phenomenon has been thoroughly and permanently dispelled on a sprawling landfill in Tokyo Bay, where on April 15 Tokyo Disneyland opened and instantly became the most remarkable entertainment success story in the history of the Orient.

Last August, Harper's Magazine wrote that "From the Emperor down, Japan is presently in the grip of mouse fever, close to mouse madness." The publication concluded that the project is shaping up as "a smash success."

Unseasonably bad weather and even a typhoon failed to hinder the march into the record books by the company's first overseas outdoor recreation venture.

By mid-November, attendance had already topped the seven million mark, slightly ahead of the first-year projection of 10 million.

And, on August 13, the new facility broke all attendance records for a single day in the 28-year history of Disney theme parks. The Oriental Land Co., which owns and operates the park under a license and royalty agreement with Walt Disney Productions, reported attendance of 94,378 for that day.



As Harper's Magazine commented, "From the Emperor down, Japan is in the grip of mouse fever, close to mouse madness," as a result of the astounding success of Tokyo Disneyland.

Motion Pictures

Theatrical

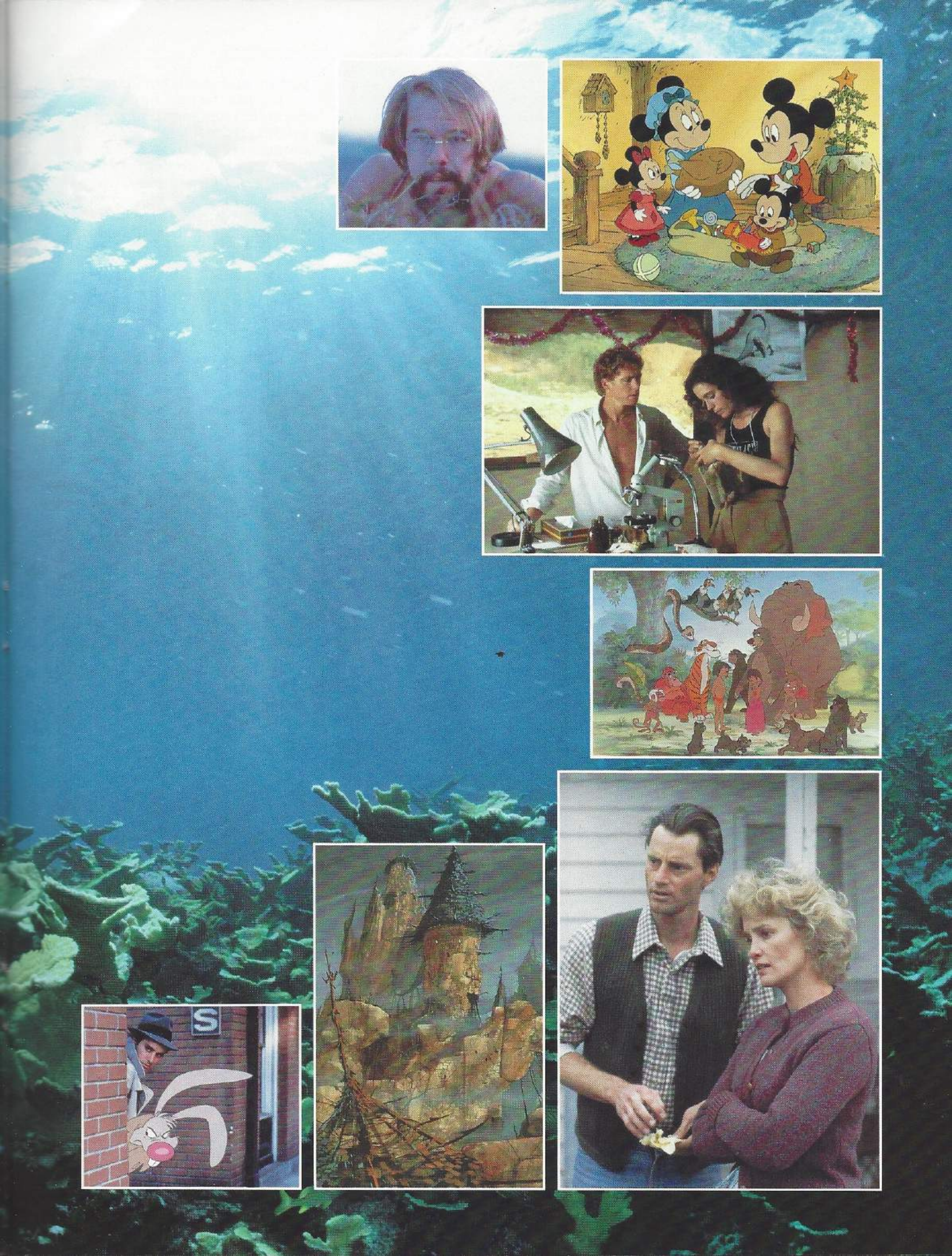
Walt Disney Pictures came into being as a separate company in June and immediately set to the task of developing a boldly diversified program of films aimed at significantly broadening the Disney audience.

President of the new company is Richard Berger, who stresses that Walt Disney Pictures will pursue innovative directions in filmmaking and acquisitions while firmly maintaining the studio's long-standing commitment to quality.

The first film to be released under the new banner was Carroll Ballard's "Never Cry Wolf," which received outstanding critical reviews and broke attendance marks at a number of theaters.

Words from America's top critics ranged from "triumphant" (Washington Post) to "a work of art" (Minneapolis Star and Tribune) to "breathtaking" (Dallas

Daryl Hannah is the mermaid Madison in "Splash," opening nationwide in March. Other films in release or production for this fiscal year include, clockwise from top, "Never Cry Wolf," starring Charles Martin Smith; "Mickey's Christmas Carol," which marked the return to the screen of Mickey and the gang; "Baby," starring William Katt and Sean Young; "Jungle Book," scheduled for a summer re-issue; and "Country," starring Sam Shepard and Jessica Lange, while work continues on the animated feature, "The Black Cauldron" and the live action-animated "Roger Rabbit."


S

Times Herald) to Newsweek's comment that, "There are sequences in this movie that will make you drop your jaw out of genuine amazement."

"Mickey's Christmas Carol," the featurette that marks Mickey's return to the big screen for the first time in 30 years, was coupled with the first re-issue of "The Rescuers" during the holidays for the domestic market and all signs point to an extremely successful run. The film opened earlier in England and received extraordinary public and media attention and set a Disney attendance record in that nation's largest theater.

A March nationwide release is planned for "Splash," a fast-paced romantic comedy directed by Ron Howard of "Happy Days" fame. Starring Tom Hanks, Daryl Hannah, Eugene Levy and John Candy, "Splash" is the story of a young man who falls in love with a mermaid. The film was well-received by theater owners at a special screening in November.

Also scheduled for 1984 release are the re-issue of "Jungle Book" in July and "Baby" at Christmas. "Baby," the adventure saga of a young couple on safari who discover a family of living dinosaurs, began shooting in December in the West African nation of The Ivory Coast.

Directed by B. W. L. Norton, "Baby" stars William Katt, Sean Young and Patrick McGoohan. Katt's film credits include "Butch and Sundance: The Early Years" and "Big Wednesday" and he also starred in television's "The Greatest American Hero." Ms. Young was featured in "Blade Runner," "Young Doctors in Love," "Stripes" and the PBS production of "Jane Austen."

McGoohan has starred in such films as "Ice Station Zebra," "Silver Streak," "Escape from Alcatraz," "Mary, Queen of Scots," "Brass Target" and "Scanners." He also starred in three television series — "Secret Agent," "The Prisoner" and "Rafferty."

In addition, "Country," a contemporary drama of family farm-life, was in production at the end of the year. Starring Academy Award-winner Jessica Lange, who is also sharing producer credits, and Sam Shepard, "Country" is the initial film produced by the new film company.

Ms. Lange received two Academy nominations the same year, as best actress for "Frances," and for best supporting actress for "Tootsie," which she won.

Shepard, who is also a Pulitzer Prize-winning playwright ("Buried Child" — 1979), has starred in "Days of Heaven," "Resurrection," "Raggedy Man," "Frances" and "The Right Stuff."

The renewed effort in motion pictures and television has been strengthened by the additions to the executive staff of Jack B. Bernstein as vice president of worldwide production and Barry Lorie as vice president of motion picture and television marketing.

"The Rescuers" returns to the screen.

During the past nine years, Bernstein has served as executive producer, producer or associate producer of a number of major feature films at 20th Century-Fox, Paramount Pictures and United Artists. Lorie most recently was senior vice president of publicity and promotion at 20th Century-Fox.

Television

A new television division has been formed, headed by the team of Bill Brademan and Ed Self, serving as president and executive vice president, respectively.

They have worked as a team for the past four years, producing motion pictures and series for television, most recently as executive producers for Quinn Martin Productions. Brademan also served in the past as vice president of development at ABC-TV, Universal Television and 20th Century-Fox.

The new division is actively pursuing a number of movies-for-television, pilots and series.

Motion Pictures

(In thousands)	**1983**	**Change**	1982	Change	1981
Revenues	**$ 165,458**	**−18%**	$ 202,102	+3%	$ 196,806
Operating income (loss)	**(33,385)**	**−270%**	19,639	−43%	34,626
Operating margin	**−20%**		10%		18%

Revenues and operating income have declined in 1983 due to sharply lower theatrical film rentals, the absence of pay television license fees and an operating loss for the initial operating period of The Disney Channel.

Disappointing response to new theatrical releases in 1983 consisting of "Tex," "Trenchcoat," and "Something Wicked This Way Comes" caused domestic theatrical rentals to fall below film rentals of the prior year. Foreign theatrical film rentals in 1983 did not match the results of 1982 when "The Fox and the Hound" performed so successfully. Foreign revenues were also hampered by the strength of the U.S. dollar as compared to most foreign currencies.

As anticipated, pay television licensing agreements have declined over the past three years due to the withholding of product for airing on The Disney Channel, which commenced operations April 18, 1983. The 1983 $28.3 million operating loss was incurred primarily as a result of low subscriber revenues in the start-up phase and amortization of programming costs, distribution expenses and initial start-up costs. This loss is in line with current projections for break-even by mid-to-late 1985 when the projected average number of subscribers is expected to approximate two million. Home video continued to make impressive gains in 1983, the third year in the domestic market and the first full year in foreign distribution, with worldwide sales of almost $45 million, a 66% increase over 1982.

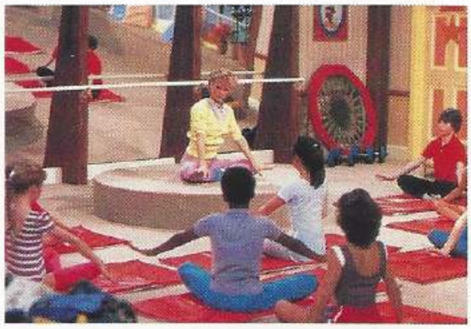
Operating income and margins for the segment have been adversely affected in the last three years due to relatively low film rentals and resulting write-downs of nine new releases totaling $26.4 million in 1983, $27.7 million in 1982 and $20.5 million in 1981.

The Disney Channel

The Disney Channel's first half-year of operations was exceptional, earning accolades from critics and viewers alike while establishing itself as the fastest growing and most successful new pay television service in history.

By the end of October, the Channel had more than 532,000 basic subscriber homes in the fold and agreements with a total of

Among original shows enjoying success on The Disney Channel are, clockwise from top left, "Mousercise," with Kellyn Plasschaert; "Tiger Town," the first feature film made exclusively for the Channel, starring Roy Scheider; "Bill Burrud's New Animal World;" "Epcot Magazine," with host Michael Young, shown here with guest host Denise Alexander of the "General Hospital" television series; and "Five Mile Creek."



1,123 cable systems offering the service to 9.9 million homes in all 50 states.

Further positioning itself for the expected dramatic growth of the medium during the next decade and beyond, the Channel has purchased two transponders on the Hughes Communications Galaxy I satellite and will begin phasing programming into the new space hookup in early 1984.

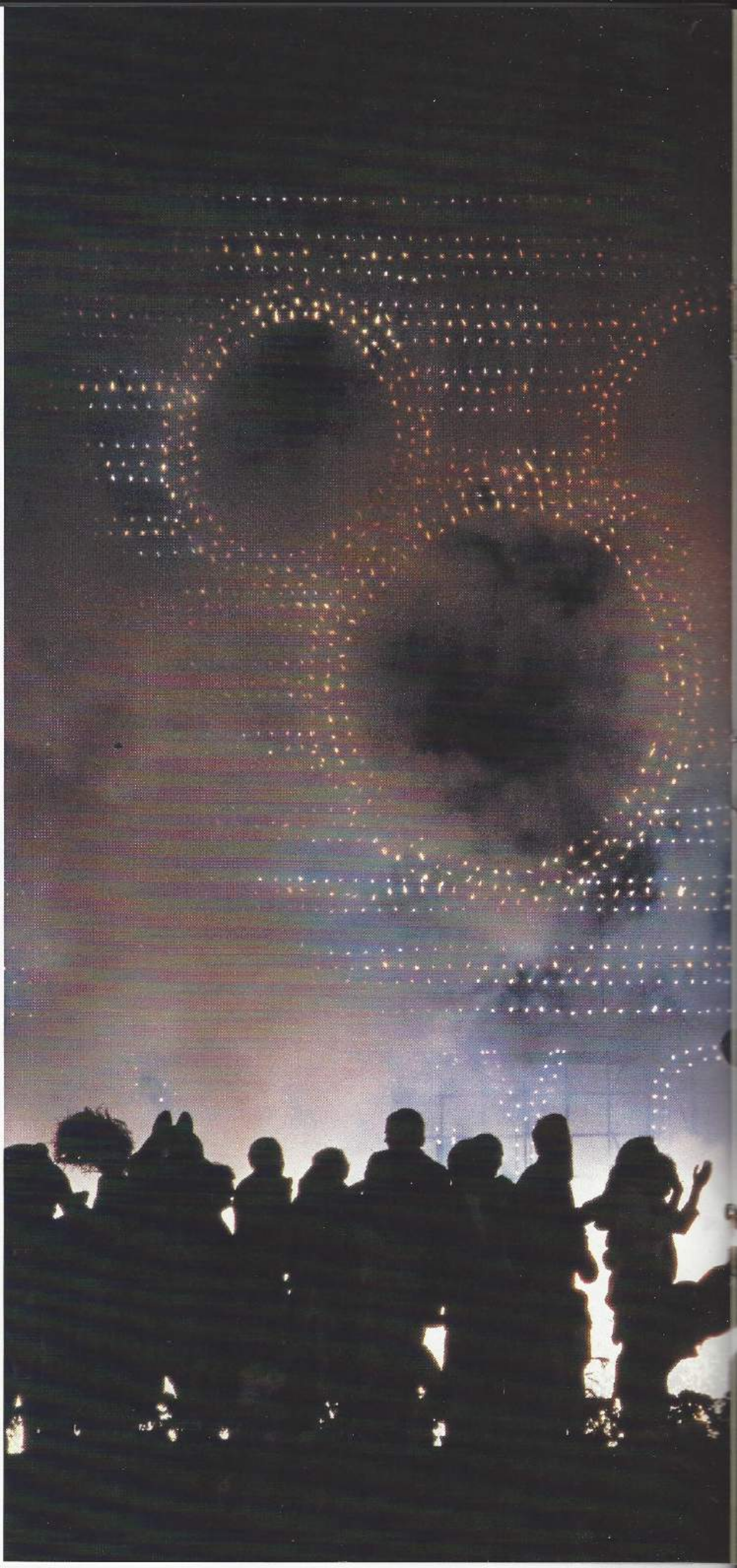
The foundation of the programming remains the extraordinary Disney library of feature films, cartoons, true-life adventures, educational shorts and television shows, considerably enhanced by an ambitious slate of original programs.

In October, the Channel premiered its first exclusive motion picture, "Tiger Town," starring Roy Scheider and Justin Henry, and production immediately began on a second, "Gone Are the Dayes," starring Susan Anspach and Harvey Korman.

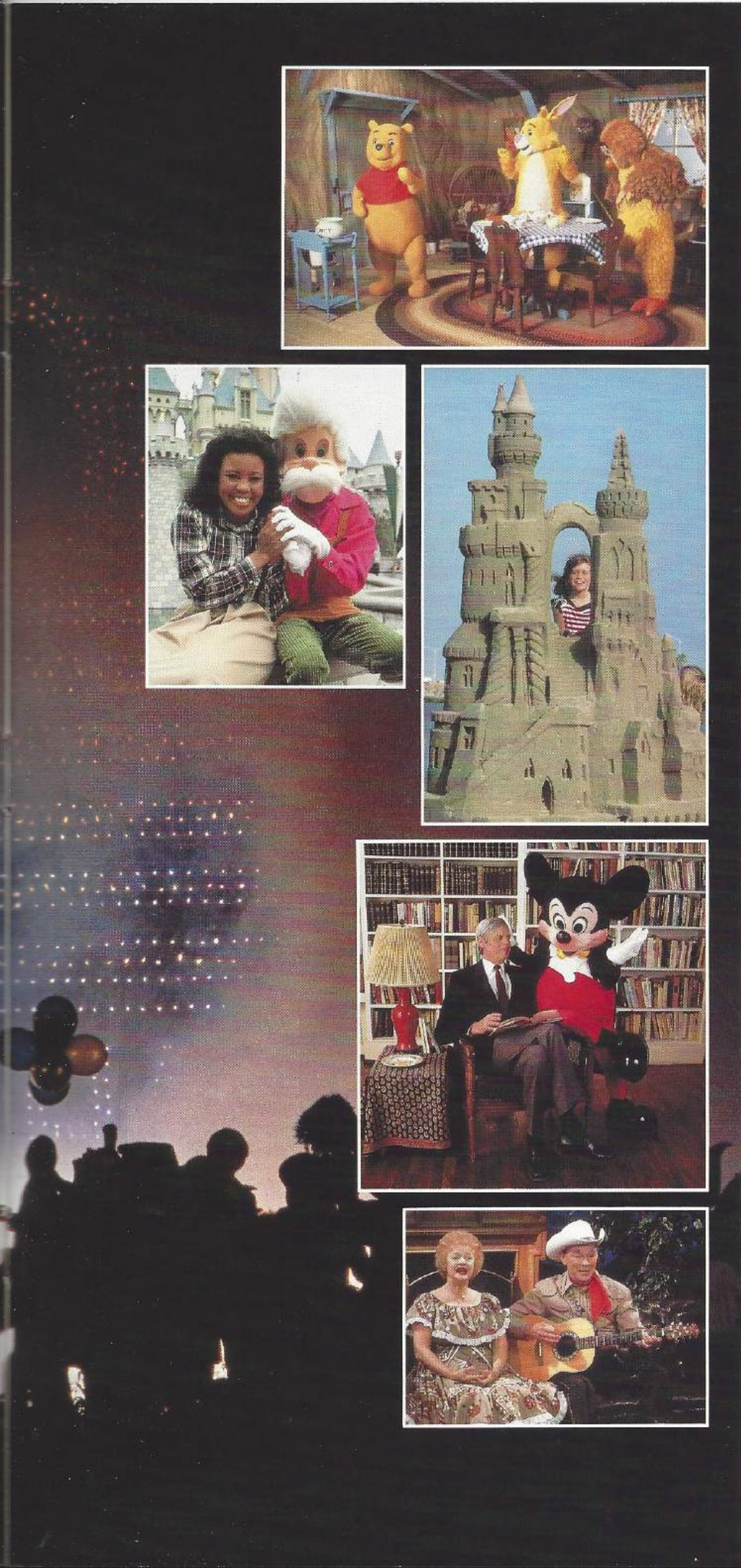
Premiering in November was one of the most ambitious dramatic series ever presented on pay television, "Five Mile Creek," produced in Australia and featuring an international cast.

New programming for 1984 includes the "Edison Twins," a show for young people focusing on educational lessons wrapped in dramatic settings, and "Steve Allen's Music Room," featuring the legendary entertainer and such friends as Marvin Hamlisch and Paul Williams. Also in production is a comedy about small-town America, "Wapatula," and a major education program for young people called "Think Tank."

The Channel has also acquired exclusive pay television rights to 12 classic Charlie Chaplin feature films, including "The Kid," "City Lights," "The Gold Rush" and "Modern Times."



Original programs featuring some of America's favorites, both real and imagined, have helped make The Disney Channel the fastest growing pay television service in history.



Viewer response has been extraordinary, with independent surveys showing more than 80% of the subscribers giving the Channel very high marks. In addition, 21% of those surveyed had never before subscribed to any pay service and were induced to do so by the launching of The Disney Channel. Also significant is the fact that a full 20% of the subscribers did not have children under the age of 13, demonstrating the Channel's appeal to teenagers and adults alike.

The Channel has been endorsed by the board of directors of the National PTA, recommended by the National Education Association and was saluted in a personal letter from President Reagan for "creating new opportunities for millions of American cable subscribers to enjoy the informative, entertaining and wholesome family entertainment for which Walt Disney and the organization he founded are so justly famous."

Home Video

Highlights of the year for the Home Video Division included the successful introduction of "TRON" and "Alice in Wonderland," which accounted for respective sales of $1.7 million and $1.8 million. Also offered for the first time were video cassettes and discs of "Tex," "Trenchcoat" and the first non-Disney products, Muppet specials and Bill Burrud wildlife films.

New product for 1984 will include "Something Wicked This Way Comes" and the first film produced exclusively for The Disney Channel, "Tiger Town."

In addition to successful summer and Christmas marketing promotions, Disney became the first home video company to produce a broadcast television commercial.

Significant increases in revenues from the video disc market are also projected for 1984 with the expiration of the company's exclusive agreement with RCA, which will allow for wider distribution arrangements.

Consumer Products and Other

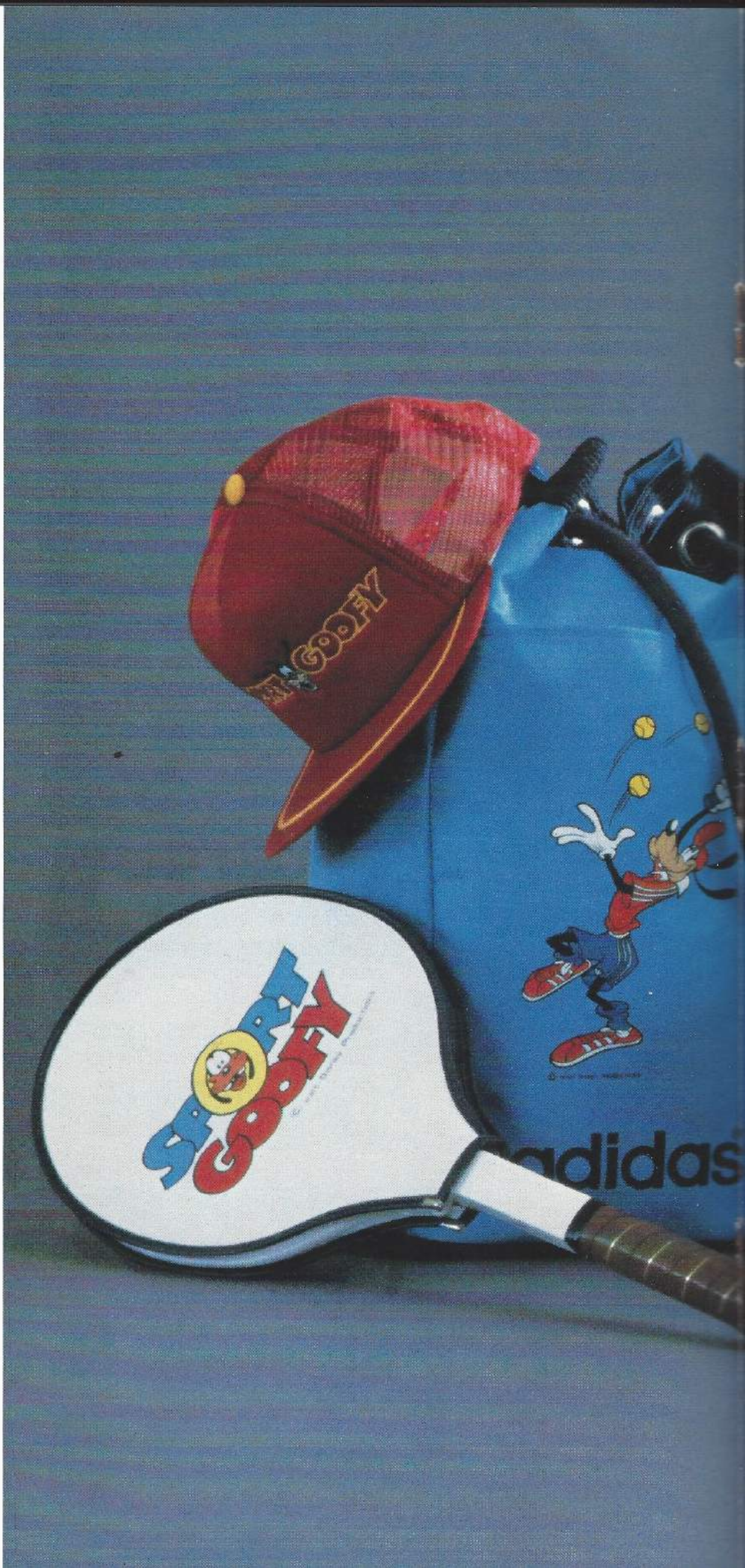
Character Merchandising and Publications

Long-time Disney cartoon star Goofy has carved out a whole new career for himself as the international symbol of youth sports — and considerably boosted the merchandising efforts of the company in the process.

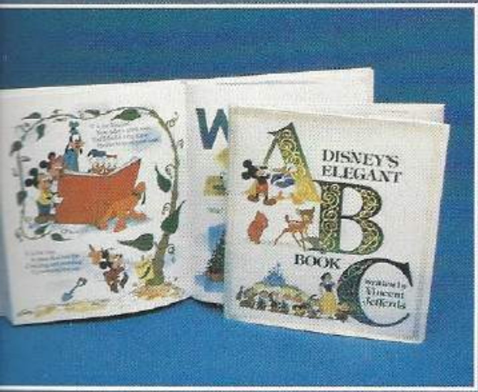
What began modestly enough with the selection of Goofy as the mascot of the 1980 French Olympics team has blossomed into the worldwide Sport Goofy program.

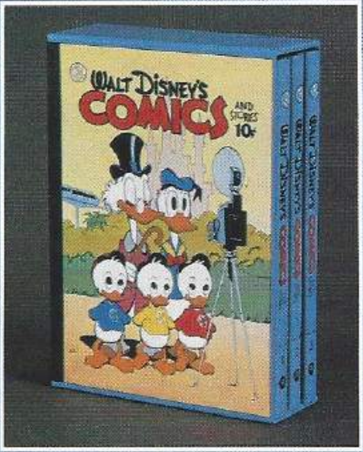
Sport Goofy has become the official spokesman for the National Federation of State High School Associations, in addition to his duties as host and symbol of the International Tennis Federation junior championships, the world finals of which were held this year at Walt Disney World.

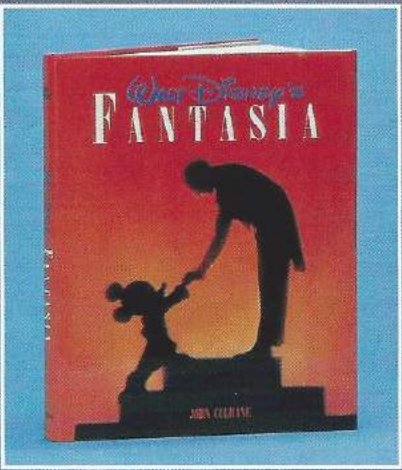
Merchandising contracts with Sport Goofy have resulted in highly successful product promotions by Atari, Adidas, Coca-Cola, Eveready Batteries, Glad Bags and several publishers and an even



Paced by the success of the Sport Goofy program, the Consumer Products Division posted a record year.







more extensive campaign is planned for 1984.

The 26-volume "Sport Goofy Encyclopedia of Sports" is being offered by direct mail from World Books, Inc., which is also publishing the 24-volume "Disney's Things to Do" set of stories, poems, riddles, games, activities and crafts.

Highlight of the year for the Publications Division was the launching of Bantam Books' "Disney's Fun to Learn Library" through supermarkets nationwide. By the end of the year, more than five million books had been shipped to 4,000 stores and annual sales of five million are projected for the next three years. The set will be offered in 1984 in Belgium, Scandinavia, England, France, Germany, Italy, Portugal, Switzerland, French-speaking Canada, Australia and the Philippines.

Two deluxe books were released in October, the $35.00 "Fantasia" from Harry N. Abrams, Inc., and the $14.95 "Elegant ABC Book" from Simon & Schuster, Inc. In addition, Another Rainbow released the first three-volume set of its 30-volume "Carl Barks Library" of the works of the famed Disney animator. Each set retails for $90.00.

Records and Music Publishing

The Records and Music Publishing Division posted record revenues in 1983, earning 20 gold records in the process.

Gold records, awarded by the Recording Industry Association of America for million-unit sales of single records or half-million sales of albums, went to two new releases, "E.T. The Extra Terrestrial" and "Return of the Jedi," as well as 18 Disney titles, including "Mousercise."

Mickey's "Mousercise" album went gold in its second year of re-

lease with sales topping the 700,000 mark. Other important releases for 1983 included "The Black Stallion," "The Black Stallion Returns" and Jim Henson's "Dark Crystal."

Heading the lineup for 1984 is "Splashdance," an upbeat Mickey Mouse dance album featuring all the favorite Disney characters, and the company's first compact disc product, the newly recorded digital version of "Fantasia."

In addition, Disneyland-Vista Records will introduce a series of eight educational Read-Along products and a complete line of story products based on upcoming motion pictures, including Steven Spielberg's "Gremlins," Star Trek III—"The Search for Spock" and "Indiana Jones and the Temple of Doom."

Educational Media

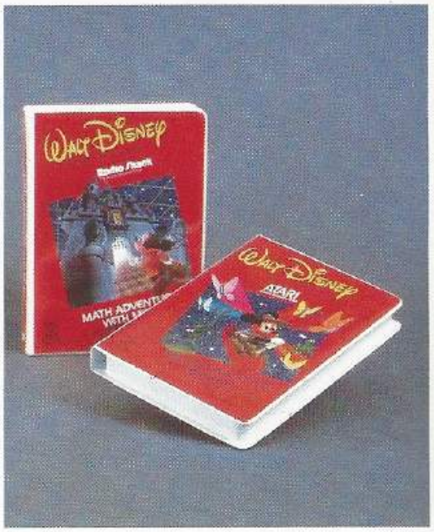
The Educational Media division continued to be a significant force in the 16mm film business and in such school learning aids as filmstrips and multimedia kits. In all, 22 new 16mm films and 16 new filmstrips were released during the year, covering such subjects as drug abuse, computer literacy, energy and space science.

With 30 years of experience in educational markets, we remain committed to combining entertainment and education through quality, state-of-the-art media with the timeless appeal of the Disney characters.

Combining animated graphics with clear learning objectives, the division entered the computer software market. Under licensing agreements with five major computer manufacturers, we have introduced "Mickey in the Great Outdoors" and "Space Probe Math" and plan to introduce a number of new programs in 1984. The use of familiar Disney characters makes the computer less intimidating and more fun to use.

In June, the Epcot Teacher's Center was opened as part of the Outreach Program at Epcot Center and had been visited by more than 4,500 teachers by the end of the fiscal year.

The center has inspired an extensive Epcot Educational Media program with initial release of 11 films, four micro-computer simulations and a multimedia kit, all of which have received high acclaim from the educational community.



Consumer Products and Other

(In thousands)	1983	Change	1982	Change	1981
Revenues	$ 110,697	+8%	$ 102,538	−12%	$ 116,423
Operating income	56,882	+19%	47,832	−5%	50,564
Operating margin	51%		47%		43%

Character Merchandising and Publications, which licenses the name Walt Disney, its characters and other properties, had strong successes in both its domestic and foreign markets. Revenues were up 15% over the prior year due to royalties from "TRON" and from the overwhelming popularity of the Disney character merchandise sold at Tokyo Disneyland. The Records and Music Publishing Division had an equally successful year surpassing $30 million in revenues. Foreign revenues have been adversely affected by the strength of the U.S. dollar in relation to other currencies.

Operating income over the past five years has increased 27%. Operating margins have steadily risen over the same period and again exceed the 50% level.

Of Special Note

A grand year-long celebration involving every segment of Walt Disney Productions will mark the 50th birthday of one of Hollywood's greatest stars — Donald Duck.

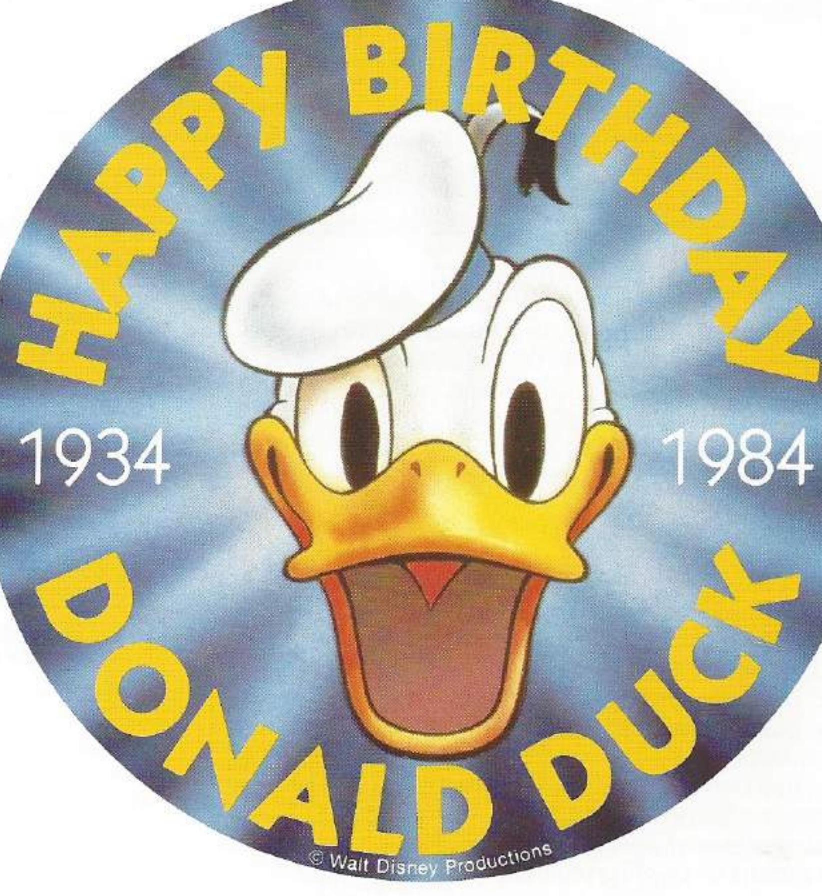
While the official birthday is June 9 — the date in 1934 that Donald made his debut in "The Wise Little Hen" — the festive observation was launched with his return to the screen in "Mickey's Christmas Carol" during the recent holiday period.

The celebration will be highlighted by a 14-city tour on a special "Donald McDucklas" DC-9 MD-80 arranged through the McDonnell Douglas Company. Aboard will be Clarence Nash, Donald's only voice since his birth, as it touches down for celebrations in Sacramento, Denver, Dallas, Houston, Atlanta, St. Louis, Minneapolis, Chicago, Detroit, Cleveland, Washington, D.C., Philadelphia, Boston, and New York City.

Other plans include a prime-time network television special, a week-long film festival in New York, summer-long activities at Disneyland and Walt Disney World, commemorative record albums, books, and personal appearances at Macy's Thanksgiving Parade and other events.

In addition, The Disney Channel will be spotlighting Donald's accomplishments with special shows and the irascible duck will be featured in the Disney/Ringling Bros. touring ice shows.

Public response to Donald's relatively minor role in "The Wise Little Hen" was so great that he became an international star overnight and by the time he retired from the screen in 1961, he had appeared in 127 cartoons, several feature films and many educational and industrial movies in addition to being featured in thousands of comic books, newspaper comic pages, hard-bound and paperback books the world over.



Scale model provides design of special DC-9 MD-80 that will transport Donald Duck on festive 14-city 50th birthday tour. Ceramic figure and doll show evolution of the irascible duck over the years.

Financial Review

Management's explanation and interpretation of the Company's overall operating results and financial position are presented in this section. The tables are in thousands, except for per share data.

Operations

Revenues and Earnings

Revenues for the Company increased by 27% in 1983 to $1.3 billion. Net income totaled $93.2 million in 1983, a decrease of 7% from the $100.1 million earned in 1982. Earnings per share decreased to $2.70 from $3.01 for the previous year.

	1983	**Change**	1982	Change	1981
Revenues	**$ 1,307,357**	**+27%**	$ 1,030,250	+3%	$ 1,005,040
Operating income	**220,375**	**+10%**	200,116	−7%	214,664
Net income	**93,160**	**−7%**	100,093	−18%	121,480
Per share	**$ 2.70**		$ 3.01		$ 3.72

The entertainment and recreation business segment was the main contributor to higher revenues and operating income in 1983 as a result of the opening of Epcot Center. However, an operating loss for the motion pictures segment, including a loss for the first six months of operations of The Disney Channel of $28.3 million, and net interest expense contributed to lower earnings for the year. Operating results and management's financial analysis of operations are discussed by business segment in the forepart of this report.

Return on average stockholders equity has declined slightly to a five-year average of approximately 10.4%.

Corporate Expenses (Income)

	1983	**Change**	1982	Change	1981
General and administrative	**$ 35,554**	**+15%**	$ 30,957	+18%	$ 26,216
Percent of revenues	**3%**		3%		3%

In addition to normal increases in labor, materials and outside services, costs are higher due to the continued expansion of management information services.

	1983	**Change**	1982	Change	1981
Design projects abandoned	**$ 7,295**	**+42%**	$ 5,147	+12%	$ 4,598

At the close of each fiscal quarter, management evaluates projects in the concept and design stages which have been in progress for varying periods of time. Those which are determined to have no future use are abandoned and charged to expense.

	1983	**Change**	1982	Change	1981
Interest expense (income)—net	**$ 14,066**	**−195%**	$ (14,781)	−55%	$ (33,130)

As expected, the Company was in a net interest expense position for fiscal 1983 as compared to a net interest income position in prior years. All available excess funds have been invested primarily in Epcot Center during the past two years, thus reducing interest income to $3.8 million in 1983 ($14.8 and $34.9 million in 1982 and 1981, respectively). Total interest costs incurred were $43.3, $24.4 and $1.8 million in 1983, 1982 and 1981 respectively, of which $25.4 million was capitalized in 1983 and $24.4 million in 1982.

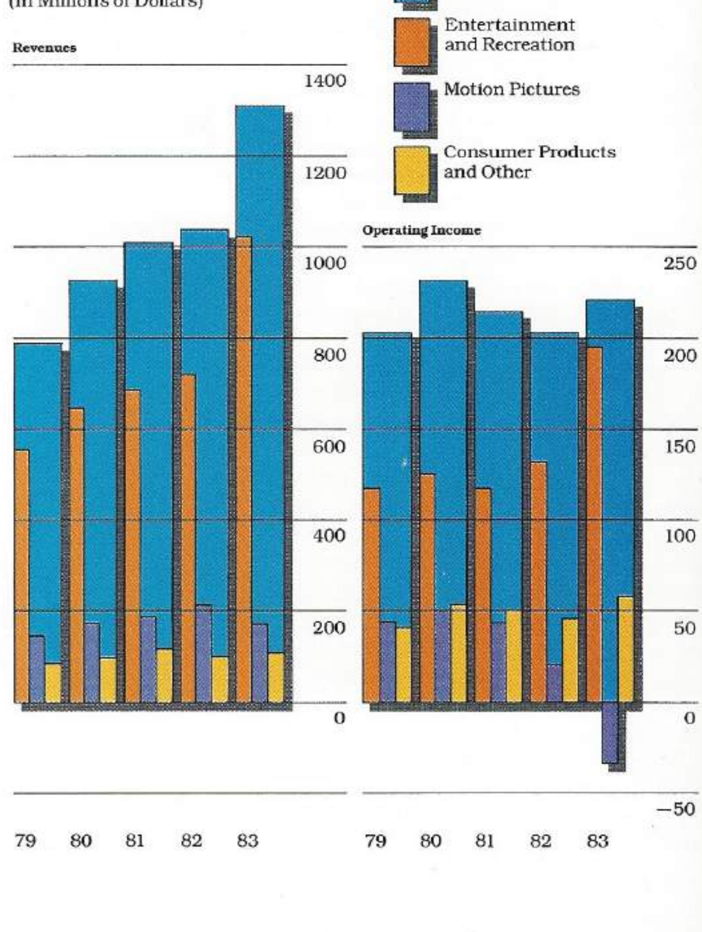
Management anticipates that the Company will continue to incur substantial interest costs for the next several years on development of various projects. The amount of future interest to be capitalized may be less if the qualifying capital expenditures decrease in relation to total indebtedness.

Taxes on Income

	1983	**Change**	1982	Change	1981
Taxes on income	**$ 70,300**	**−11%**	$ 78,700	−18%	$ 95,500
Effective income tax rate	**43%**		44%		44%

The difference between the U.S. federal income tax rate of 46% and the Company's effective income tax rate is primarily due to benefits received from investment tax credits. Investment tax credits, accounted for by the deferral method, are amortized as a reduction of the provision for taxes on income over the average service lives of the related assets. The Company recorded estimated claims for refundable income taxes of $70 million at September 30, 1983 and $41 million at September 30, 1982, primarily as a result of investment tax credits and excess of tax over book depreciation relating to Epcot Center.

Revenues and Operating Income
(In Millions of Dollars)



Consolidated Statement of Income

(Dollar amounts in thousands, except per share data)

Year Ended September 30	1983	1982	1981
Revenues			
Entertainment and recreation	**$ 1,031,202**	$ 725,610	$ 691,811
Motion pictures	**165,458**	202,102	196,806
Consumer products and other	**110,697**	102,538	116,423
Total revenues	**1,307,357**	1,030,250	1,005,040
Costs and Expenses of Operations			
Entertainment and recreation	**834,324**	592,965	562,337
Motion pictures	**198,843**	182,463	162,180
Consumer products and other	**53,815**	54,706	65,859
Total costs and expenses of operations	**1,086,982**	830,134	790,376
Operating Income (Loss) Before Corporate Expenses			
Entertainment and recreation	**196,878**	132,645	129,474
Motion pictures	**(33,385)**	19,639	34,626
Consumer products and other	**56,882**	47,832	50,564
Total operating income before corporate expenses	**220,375**	200,116	214,664
Corporate Expenses (Income)			
General and administrative	**35,554**	30,957	26,216
Design projects abandoned	**7,295**	5,147	4,598
Interest expense (income)—net	**14,066**	(14,781)	(33,130)
Total corporate expenses (income)	**56,915**	21,323	(2,316)
Income Before Taxes on Income	**163,460**	178,793	216,980
Taxes on income	**70,300**	78,700	95,500
Net Income	**$ 93,160**	$ 100,093	$ 121,480
Earnings per Share	**$ 2.70**	$ 3.01	$ 3.72

Financial Position

The Balance Sheet

The Company's total assets have more than doubled over the last five years to $2.4 billion, representing a 17% average annual growth rate.

	1983	Change	1982	Change	1981
Total assets	**$ 2,381,195**	**+13%**	$ 2,102,816	+31%	$ 1,610,009

The increase in total assets over the past three years is reflected primarily in the investment in Epcot Center. As evidenced by Epcot Center, management strives to invest in assets that will successfully increase the productive capability of the Company.

	1983	Change	1982	Change	1981
Long term borrowings	**$ 346,325**	**+10%**	$ 315,000	+186%	$ 110,000
Percent of total assets	**15%**		15%		7%

At September 30, 1983, the Company had outstanding two Eurodollar offerings, one issued in September, 1981 and the second in October, 1982. The 1981 offering of $100 million is due in September, 1986; interest is payable annually at 15.75%. The 1982 offering of $75 million is due in March, 1989; interest is payable annually at 12.50%. The Company entered into a 10-year arrangement in 1983 with a Japanese banking syndicate for a 15 billion yen ($62.5 million) term loan. Principal is payable in semi-annual installments of $3.1 million with interest at 8.60%; $59.4 million is outstanding at September 30, 1983.

The Company has available through December, 1986 an unsecured revolving line of credit of up to $400 million for general corporate purposes. The Company has the option to borrow at various interest rates not to exceed the bank's prime rate. Under the line of credit, the Company is required to pay a fee on the unused portion of the commitment, to maintain certain compensating balances and to meet certain minimum net worth requirements. Up to $200 million of the line of credit is available as backing for commercial paper borrowings by the Company, $118.2 million of which was issued and outstanding at September 30, 1983 ($200 million at September 30, 1982). The commercial paper, which was used for current operations, is generally intended to be rolled-over or refinanced during fiscal year 1984 and, accordingly, has been classified as a long term liability.

The ratio of debt to total capitalization (stockholders equity plus total debt) averaged 20% for 1983 and 1982.

	1983	Change	1982	Change	1981
Stockholders equity	**$ 1,400,528**	+10%	$ 1,274,784	+9%	$ 1,167,118
Per share	**$ 40.58**	+ 6%	$ 38.22	+6%	$ 35.99
Percent of total assets	**59%**		61%		72%

Stockholders equity has increased by $540 million over the last five years, which primarily reflects the Company's continuing policy of reinvesting a significant portion of its earnings for future growth.

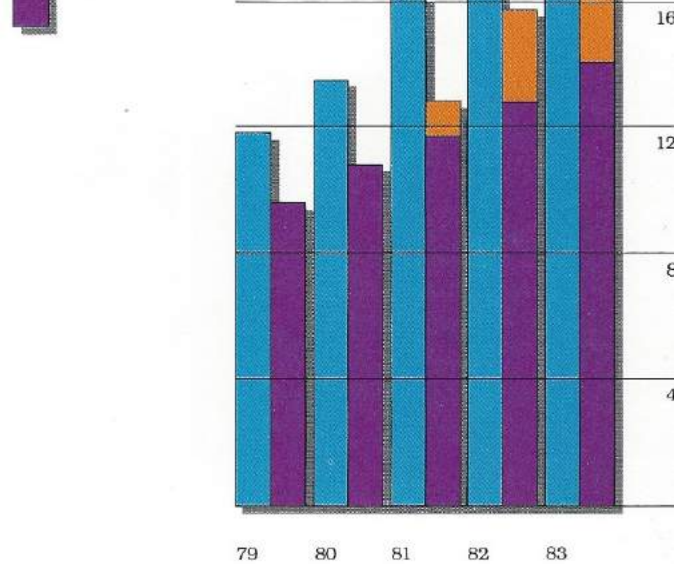
The average annual growth rate of stockholders equity over the last five years has been 10.2%.

Commitments and Contingencies

The Company has pension plans covering substantial all of its domestic employees not covered by union or industry pension plans. The plans are funded by Com pany and employee payments to a trust administered by a bank. Net assets available for benefits as of June 30, 1983, the date of the latest actuarial valuation, equal $58.6 million. The actuarial present value of ac cumulated plan benefits, using an assumed rate of re turn of 8-1/4%, equals $51.8 million.

The Company's subsidiary, Buena Vista Distributic Co., Inc., is a defendant with other motion picture di tributors in a number of private treble damage action asserting claims under federal or state anti-trust law These actions, which seek damages aggregating hun dreds of millions of dollars, are in various stages of pre trial proceedings. The Company has denied the mate rial allegations of the complaints in these actions, an in the opinion of management and counsel, the Com pany will not suffer any material liability by reason thereof.

Total Assets, Stockholders Equity and Long Term Borrowings
(In Millions of Dollars)



Consolidated Balance Sheet
(Dollar amounts in thousands)

Walt Disney Productions
and Subsidiaries

September 30	1983	1982
ASSETS		
Current Assets		
Cash	$ 18,055	$ 13,652
Accounts receivable, net of allowances	102,847	78,968
Income taxes refundable	70,000	41,000
Inventories	77,945	66,717
Film production costs	44,412	43,850
Prepaid expenses	19,843	18,152
Total current assets	333,102	262,339
Film Production Costs—Non-Current	82,598	64,217
Property, Plant and Equipment, at cost		
Entertainment attractions, buildings and equipment	2,251,297	1,916,617
Less accumulated depreciation	(504,365)	(419,944)
	1,746,932	1,496,673
Construction and design projects in progress		
Epcot Center	70,331	120,585
Other	37,859	39,601
Land	16,687	16,379
	1,871,809	1,673,238
Other Assets	93,686	103,022
	$ 2,381,195	$ 2,102,816
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities		
Accounts payable, payroll and other accrued liabilities	$ 187,641	$ 210,753
Taxes on income	50,557	26,560
Total current liabilities	238,198	237,313
Long Term Borrowings, including commercial paper of $118,200 and $200,000	346,325	315,000
Other Long Term Liabilities and Non-Current Advances	110,874	94,739
Deferred Taxes on Income and Investment Credits	285,270	180,980
Commitments and Contingencies		
Stockholders Equity		
Preferred shares, no par		
Authorized—5,000,000 shares, none issued		
Common shares, no par		
Authorized—75,000,000 shares		
Issued and outstanding—34,509,171 and 33,351,482 shares	661,934	588,250
Retained earnings	738,594	686,534
	1,400,528	1,274,784
	$ 2,381,195	$ 2,102,816

Changes in Financial Position

Cash Provided by Operations

One of the most important goals of management is the effective utilization of cash generated from the Company's operating businesses. Cash provided by operations has increased by 67% over the last five years and by 23% to $337.4 million in 1983.

	1983	Change	1982	Change	1981
Cash provided by operations	$ 337,356	+23%	$ 274,782	+30%	$ 210,805

Cash provided by operations was $244.2 million greater than reported net income of $93.2 million. This difference was principally due to (i) depreciation and amortization expenses charged to income which do not require current cash outlays, (ii) taxes on income which do not require cash outlays until future periods and (iii) income tax refunds received in 1983 relating to prior years.

Cash requirements for dividends and investing activities (excluding the name rights and equipment acquired for stock) exceeded cash provided by operations in 1983 by $150.9 million ($471.5 million—1982) due principally to the Company's investments in Epcot Center, Disneyland-Fantasyland, and The Disney Channel. This deficiency in cash from internal sources, as well as reductions in existing long term borrowings of $100 million, was financed by new sources of external financing, a public offering of common shares, participation fees advanced by Epcot Center participants, and collection of long term notes receivable.

Dividends

It is the Company's policy to consider periodic dividend increases to its stockholders consistent with earnings growth and its need for funds to support future growth. Total cash dividends in 1983 represent 44% of net income for the year, up from 40% a year ago. At its current annual rate of $1.20 per share, the dividend is nearly four times the 1978 level of $0.32.

	1983	Change	1982	Change	1981
Cash dividends	$ 41,100	+3%	$ 39,742	+23%	$ 32,406
Percent of net income	44%		40%		27%
Per share	$ 1.20		$ 1.20		$ 1.00

Investing Activities

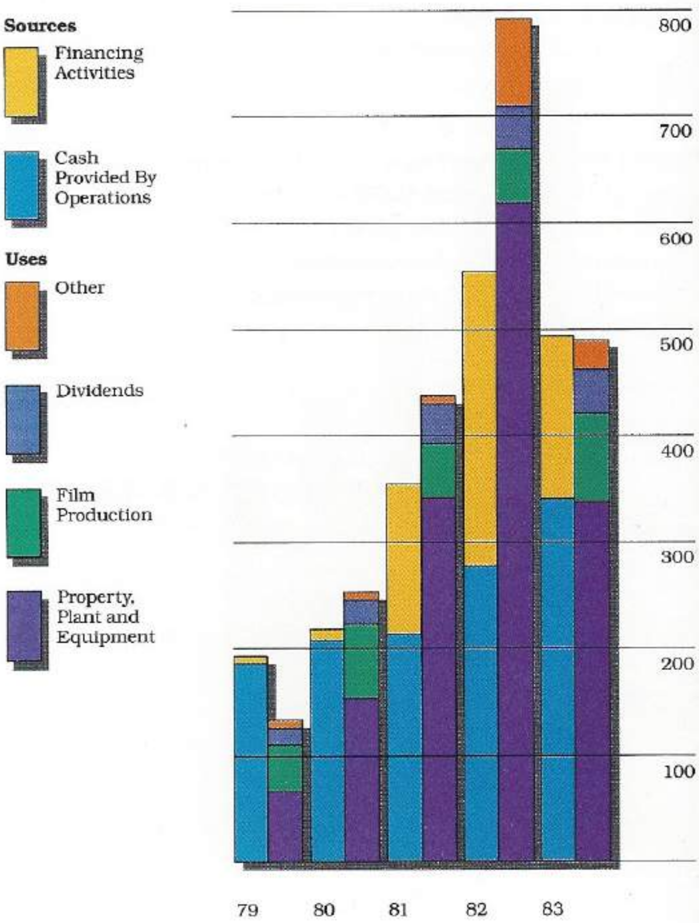
The Company continues to invest in the future through its capital improvements program. Over the past five years, the Company has invested approximately $1.5 billion in property, plant and equipment and $304 million in film production and programming for a total of more than $1.8 billion. These investments are intended to expand services and operating capability in the Company's entertainment and recreation businesses and to maintain and increase the productive capability (in the form of new film product and programs) of its motion picture businesses. The consumer product businesses have and will continue to benefit from this expansion of product.

In fiscal 1983, expenditures continued to be concentrated on Epcot Center, which opened to the public on September 28, 1982; however, several other major projects were completed or are in process at fiscal year end.

The total cost of Epcot Center through September 30, 1983 is $1.2 billion. Additions to its attractions and exhibits in 1983 totaled $207.4 million, including $70.3 million ($120.6 million—1982) in process at year end. In addition to expenditures incurred at Epcot Center, the Company completed refurbishing of Fantasyland at Disneyland at a total cost of $47.5 million ($11.1 million in process at September 30, 1982). Additions to film production included $47.9 for the theatrical and commercial television mediums and $36.6 for product to be aired on The Disney Channel, the Company's new pay television venture. Start-up costs associated with the launching of The Disney Channel approximated $11 million. These costs have been deferred and are being amortized over five years commencing April 18, 1983, the date of the initial broadcast.

In January, 1982, the Company acquired the rights to the name, likeness and portrait of Walt Disney and the steam train and monorail systems at Disneyland from Retlaw Enterprises, Inc. The Company issued

Principal Sources and Uses of Cash
(In Millions of Dollars)



Consolidated Statement of Changes in Financial Position (Dollar amounts in thousands)

Walt Disney Productions and Subsidiaries

Year Ended September 30	1983	1982	1981
Cash provided by operations before taxes on income (see below)	**$ 308,369**	$ 309,431	$ 316,949
Taxes paid (received) on income—net	**(28,987)**	34,649	106,144
Cash provided by operations	**337,356**	274,782	210,805
Cash dividends	**41,100**	39,742	32,406
	296,256	235,040	178,399
Investing activities			
Epcot Center, net of related payables	**250,196**	566,428	285,651
Other property, plant and equipment	**83,542**	47,988	47,756
Film production and programming costs	**83,750**	52,295	55,454
Rights to the Walt Disney name	**(3,640)**	40,000	
Epcot Center and The Disney Channel preopening and start-up costs	**18,253**	19,170	1,907
Long term notes receivable and other	**11,406**	26,881	4,023
	443,507	752,762	394,791
	(147,251)	(517,722)	(216,392)
Financing activities			
Long term borrowings	**137,500**	205,000	110,000
Reduction of long term borrowings	**(99,925)**		
Common stock offering	**70,883**		
Common stock issued (returned) to acquire rights to the Walt Disney name and certain equipment	**(3,640)**	46,200	
Participation fees, net of related receivables	**11,169**	23,867	24,745
Collection of long term notes receivable and other	**35,667**	2,030	7,646
	151,654	277,097	142,391
Increase (decrease) in cash and short term investments	**4,403**	(240,625)	(74,001)
Cash and short term investments, beginning of year	**13,652**	254,277	328,278
Cash and short term investments, end of year	**$ 18,055**	$ 13,652	$ 254,277

The difference between income before taxes on income as shown on the Consolidated Statement of Income and cash provided by operations before taxes on income is explained as follows:

	1983	1982	1981
Income before taxes on income	**$ 163,460**	$ 178,793	$ 216,980
Charges to income not requiring cash outlays:			
Depreciation	**90,184**	41,917	38,886
Amortization of film production and programming costs	**65,575**	64,868	55,222
Other	**15,526**	9,950	9,449
Changes in:			
Accounts receivable	**(25,863)**	1,077	(18,591)
Inventories	**(11,228)**	(6,944)	(5,125)
Prepaid expenses	**(1,691)**	(2,754)	(3,960)
Accounts payable, payroll and other accrued liabilities	**12,406**	22,524	24,088
	144,909	130,638	99,969
Cash provided by operations before taxes on income	**$ 308,369**	$ 309,431	$ 316,949

888,461 shares of its common stock, which had a market value of $46.2 million, to the former shareholders of Retlaw. In 1983, the acquisition was adjusted for the return of 70,000 shares resulting from the settlement of a stockholders' suit, which is subject to final Court approval.

	1983	**Change**	1982	Change	1981
Additions to property, plant and equipment					
Epcot Center	**$ 207,360**	**−65%**	$ 600,777	+100%	$ 301,032
Other	**83,842**	**+75%**	47,988	—	47,756
Additions to film production and programming costs	**84,518**	**+62%**	52,295	−6%	55,454

The Company currently anticipates that expenditures during fiscal 1984 will approximate $225 million for property, plant and equipment, including Epcot Center, $90 million for theatrical and television production and $40 million in programming for The Disney Channel. Management reviews the Company's capital program at least quarterly and revises the anticipated capital additions for the fiscal year, as appropriate. In addition, some interest costs will be capitalized, the amounts being dependent upon the extent of borrowings, the associated rates of interest incurred, and the amount of qualifying asset costs incurred during the year.

Financing Activities

The Company has developed financing strategies and various financing arrangements to cover projected financing needs over the next five years. These strategies give the Company the flexibility it needs during a period of major investing activities and interest rate fluctuations. The Company has received credit ratings of A-1+ and P-1 for its commercial paper from two of the major rating agencies.

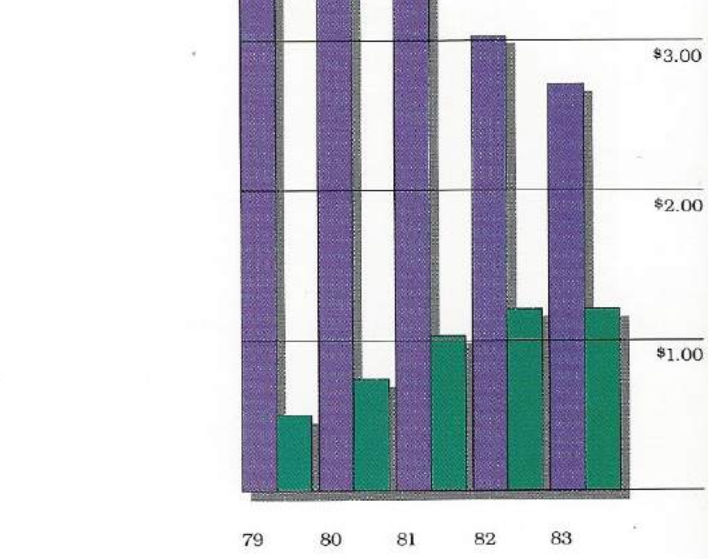
As mentioned earlier, the Company's cash requirements exceeded cash provided by operations by $150.9 million and $471.5 million in 1983 and 1982, respectively. The Company financed these shortfalls at an average cost of new long term debt of 10% in 1983, down from almost 16% in 1982.

In fiscal 1982, the Company authorized the issuance of 12.50% Eurodollar notes totaling $75 million; the funds were received in fiscal 1983. The notes will mature on March 15, 1989, and are redeemable after September 15, 1986. Concurrent with the completion of the 12.50% Eurodollar offering, the Company entered into a forward exchange contract with a multinational financial institution which effectively converted $50 million of the borrowings into yen equivalents. The 7.40% Japanese yen borrowings, due March 14, 1989, are non-redeemable.

During the second quarter of 1983, a ten-year 15 billion yen ($62.5 million) term loan at 8.60% was arranged with a 16-member consortium of primarily Japanese concerns headed by The Industrial Bank of Japan. This loan was the first of its kind in United States-Japanese corporate relations. The ability to arrange long term fixed financing at favorable rates gives the Company the flexibility desired for its long-range planning activities.

The balance of funds utilized in 1983 came from several sources. The Company successfully completed a public stock offering for 1.1 million common shares, generating approximately $71 million in funds. Also, notes receivable totaling $25 million, included in Other Assets in 1982, were collected in July, 1983. Certain monies generated during the year were subsequently used to reduce long term borrowings, which had an average interest cost of 9%. These borrowings included the $15 million outstanding under the revolving line of credit at September 30, 1982, as well as a net $81.8 million of commercial paper.

Net Income and Cash Dividends Per Share



Inflation and Changing Prices

The Financial Accounting Standards Board has required two supplementary income computations, one dealing with the effects of general inflation (constant dollar) and the other dealing with the effects of changes in specific prices (current cost).

When the Company's historical results are adjusted by this remeasurement process, the cost of property, plant and equipment and depreciation expense are increased significantly. Net assets at year end are increased by \$720 million when the costs are adjusted to average 1983 dollars (constant dollar) and by \$794 million when adjusted to specific prices (current cost). This increase in the valuation of assets results in a theoretical increase in depreciation expense of \$41 million (constant dollar) and \$43 million (current cost). This adjustment of depreciation expense is the primary cause of the decrease in net income adjusted for the effects of inflation to \$47,996, or \$1.39 (constant dollar) and \$44,996, or \$1.30 (current cost). However, this additional theoretical depreciation should not be interpreted as an indication of a decline in the Company's ability to maintain its productive capability. As a result of carefully planned and comprehensive refurbishing programs at its entertainment facilities, the productive capability is continuously renewed. The Company is not confronted with a problem of replacing very old and worn-out capital assets.

Foreign Currency Translation

The Company realizes gains or losses on foreign currency transactions that reflect a change in rates of exchange between the time revenues are earned and the time they are converted to U.S. dollars. As the U.S. dollar strengthens in relation to a foreign currency, the foreign monies have less value, and conversely, when the dollar weakens, the foreign monies have more value, when converted to the dollar. Such transaction gains and losses are included in income and are not material. In translating assets and liabilities that are recorded or denominated in currencies other than the U.S. dollar and are not part of a hedging arrangement, the resulting gains or losses are also included in income. Such gains or losses are not material due to the Company's relatively low foreign investment in inventories and property, plant and equipment.

The Company has hedged long term borrowings involving Japanese yen by designating the royalty revenues from Tokyo Disneyland to service interest and principal payments for such indebtedness, thus offsetting the effects of fluctuations in the exchange rate.

Foreign currency fluctuations from year-to-year can have a significant impact on the Company's earnings. The magnitude of currency changes has been significant during the past year as the U.S. dollar has strengthened against virtually all foreign currencies. Had currency rates remained constant year-to-year, it is estimated that revenues would have been over \$28 million greater in 1983.

Stock Transfer Agent
Walt Disney Productions

Registrar
First Interstate Bank of California, Los Angeles

Stock Exchanges
The Common Stock of the Company is listed for trading on the New York, Pacific and Swiss Stock Exchanges. The Euro-Bond notes of the Company are listed on The Stock Exchange in London.

Independent Accountants
Price Waterhouse, West Los Angeles

Annual Meeting of Stockholders
Tuesday, February 28, 1984

Other Information

A copy of the Company's annual report to the Securities and Exchange Commission (Form 10-K) will be furnished without charge to any stockholder upon written request to Shareholder Services, Walt Disney Productions, P.O. Box 10099, Burbank, California 91510-0099.

Walt Disney Productions makes available to its stockholders a Dividend Reinvestment Plan. Those wishing a pamphlet about the plan should write to Shareholder Services, Walt Disney Productions, P.O. Box 10099, Burbank, California 91510-0099.

Index to Financial Statements and Supplemental Information

The consolidated financial statements of Walt Disney Productions and Subsidiaries have been included on the following pages of this Annual Report:

Additional information, although not a required part of the basic financial statements, may be read in conjunction with the financial statements and appears in the following supplemental section of this Annual Report:

Report of Independent Accountants

To the Board of Directors and Stockholders
of Walt Disney Productions

In our opinion, the consolidated financial statements listed in the index and appearing on pages 29, 31, 33 and 37 through 41, present fairly the financial position of Walt Disney Productions and its subsidiaries at September 30, 1983 and 1982, and the results of their operations and the changes in their financial position for each of the three years in the period ended September 30, 1983, in conformity with generally accepted accounting principles consistently applied. Our examinations of these statements were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Price Waterhouse

1880 Century Park East
West Los Angeles, California
November 22, 1983

1. Description of the Business and Summary of Significant Accounting Policies

WALT DISNEY PRODUCTIONS and its subsidiaries (the Company) is a diversified international company engaged in family entertainment and operates in three business segments; financial information regarding business segments appears on the Consolidated Statement of Income and in Note 9.

ENTERTAINMENT AND RECREATION
The Company operates the Disneyland amusement theme park in California and the Walt Disney World destination resort in Florida. In addition to an amusement theme park, the Magic Kingdom, and Epcot Center, the Walt Disney World complex includes three hotels, camping, golfing and other recreational facilities, a shopping village, a conference center and other lodging accommodations. The Company receives royalties on revenues generated by the Tokyo Disneyland amusement theme park in Tokyo, Japan, which is owned and operated by an unrelated Japanese corporation.

MOTION PICTURES
The Company produces motion pictures for the theatrical, television and home video markets. The Company distributes its filmed product through its own distribution and marketing companies in the United States and through foreign subsidiaries in certain countries and other distribution companies throughout the rest of the world. The Company provides programming for, and operates, The Disney Channel, a pay television programming service.

CONSUMER PRODUCTS AND OTHER
The Company licenses the name Walt Disney, its characters, its literary properties and its songs and music to various manufacturers, retailers, printers and publishers. The Company also produces and distributes phonograph records, 16mm prints of product developed on educational subjects, and a broad range of teaching aids. These activities are conducted through the character merchandising and publications, records and music publishing, and educational media divisions and subsidiaries of the Company.

The following summary of the Company's significant accounting policies is presented as an integral part of the consolidated financial statements.

Principles of Consolidation
The consolidated financial statements include the accounts of the Company and its domestic and foreign subsidiaries, all wholly owned.

Revenue Recognition
Generally, revenues are recorded when the earning process is substantially complete and goods have been delivered or services performed. Revenues from participant/sponsors at the theme parks and Epcot Center are recorded over the period of the applicable agreements commencing with the opening of the attraction. Revenues from the theatrical distribution of motion pictures are recognized when motion pictures are exhibited domestically and when revenues are reported from foreign distributors; revenues from television licensing agreements are generally recorded when the film is available to the licensee and certain other conditions are met.

Film Production Costs and Amortization
Costs of completed theatrical and commercial television film productions (negative costs), together with applicable capitalized exploitation costs, are amortized by charges to income in the proportion that gross revenues recognized by the Company during the year for each production bears to the estimated total gross revenues to be received. Estimates of total gross revenues are reviewed periodically and amortization is adjusted accordingly. If unamortized cost exceeds the estimated producers share of film rentals to be received, the carrying value of the film is adjusted to expected net realizable value. Programming costs for The Disney Channel are amortized on a straight-line basis over the estimated useful lives of the programs.

Inventories
Costs of merchandise, materials and supplies inventories are generally determined on the moving average basis and the retail method and are stated at the lower of cost or market.

Property, Plant and Equipment
The Company, at any one point in time, will have a number of projects in the concept, design, or construction phases related to entertainment and recreation attractions, buildings and equipment. All projects in progress are evaluated on a continuing basis and, upon completion, costs of major replacements and betterments are capitalized. If it is determined that a project in progress has no future use, the costs of such project are charged to income under the caption "Design Projects Abandoned."

Depreciation is provided principally on the straight-line method using estimated service lives ranging from four to fifty years.

Other Assets
Deferred preopening and start-up costs relating to Epcot Center and The Disney Channel are being amortized over five years.

Rights to the name, likeness and portrait of Walt Disney are being amortized over forty years (beginning in February, 1982).

Taxes on Income

Taxes are provided on all revenue and expense items included in the consolidated statement of income, regardless of the period in which such items are recognized for income tax purposes, except for items representing a permanent difference between pretax accounting income and taxable income. Investment tax credits, accounted for by the deferral method, are amortized as a reduction of the provision for taxes on income over the average service lives of the related assets.

Stock Options

Proceeds from the sale of common stock issued under stock option plans are accounted for as capital transactions. If stock appreciation rights (SAR's) are granted in connection with options granted, income is charged or credited over the vesting period for the difference between the market price of the Company's stock and the option price of the appreciation rights outstanding.

Earnings per Share

Earnings per common and common equivalent share are computed on the basis of the average number of shares outstanding during each year, retroactively adjusted to give effect to all stock splits and stock dividends. It is assumed that all dilutive stock options are exercised at the beginning of each year and that the proceeds are used to purchase shares of the Company's common stock at the average market price during the year.

2. Film Production Costs

Theatrical and television film production and programming costs consist of the following components (in thousands of dollars):

	1983	1982
Released, less amortization	$ 60,399	$ 52,222
Completed, not yet released	26,599	13,010
In process	40,012	42,835
	127,010	108,067
Less: Current costs	44,412	43,850
Non-current film production costs	$ 82,598	$ 64,217

Non-current film production costs include costs of theatrical and television films in process of production, portions of completed theatrical film costs allocated to television and home video markets, and portions of completed television film costs allocated to foreign markets. Programming costs not expected to be amortized in one year are also classified as non-current.

3. Long Term Borrowings

Long term borrowings consist of the following (in thousands of dollars):

	1983	1982
15.75% Eurodollar notes, due September 1, 1986 and redeemable at option of Company after September 1, 1984, interest payable annually	$ 100,000	$ 100,000
12.50% Eurodollar notes, due March 15, 1989 and redeemable at option of Company after September 15, 1986, interest payable annually	75,000	
8.60% Japanese term loan, due February 1, 1993, principal payable in semi-annual installments of $3,125	59,375	
Borrowings under unsecured revolving line of credit		15,000
Commercial paper	118,200	200,000
	352,575	315,000
Less: Borrowings due within one year	6,250	
Long term borrowings	$ 346,325	$ 315,000

Revolving Line of Credit and Commercial Paper

The Company has available through December, 1986 an unsecured revolving line of credit of up to $400 million for general corporate purposes. The Company has the option to borrow at various interest rates not to exceed the bank's prime rate. Under the line of credit, the Company is required to pay a fee on the unused portion of the commitment, to maintain certain compensating balances and to meet certain minimum net worth requirements. Up to $200 million of the line of credit is available as backing for commercial paper borrowings by the Company. No borrowings were outstanding under this line of credit at September 30, 1983.

As of September 30, 1983, the Company had issued $118.2 million of commercial paper used for current operations, with interest averaging 9.37%. Commercial paper is generally intended to be rolled-over or to be replaced by new long term borrowings or by borrowings under the revolving line of credit and, accordingly, has been classified as a long term liability.

Forward Exchange Contract

In fiscal 1982, the Company authorized the issuance of 12.50% Eurodollar notes for $75 million; the proceeds were received in fiscal 1983. Concurrent with the completion of the offering, the Company entered into a forward exchange contract with a multinational financial institution which effectively converts $50 million of the Eurodollar borrowings into Japanese yen equivalents. The 7.40% yen borrowings, due March 14, 1989, are non-redeemable.

The Company has hedged its long term borrowings involving Japanese yen, including the 8.60% term loan, by designating its cumulative royalty receipts from Tokyo Disneyland to service interest and principal yen payments, thus offsetting the impact of exchange rate fluctuations.

Capitalization of Interest

The Company capitalizes interest costs on assets constructed for its own use and on theatrical and television productions in process. In 1983, the Company

capitalized $25.4 of $43.3 million total interest costs incurred. In 1982, the total interest costs incurred of $24.4 million were capitalized.

4. Taxes on Income (In thousands of dollars)

The income before provision and the provision for taxes on income is composed of the following:

	1983	1982	1981
Income before provision for taxes on income			
Domestic (including U.S. exports)	$ 140,725	$ 167,083	$ 212,885
Foreign subsidiaries	22,735	11,710	4,095
Total income before provision for taxes on income	$ 163,460	$ 178,793	$ 216,980
Provision for taxes on income			
Currently payable (refundable)			
Federal	$ (67,906)	$ (29,109)	$ 81,157
State	2,369	3,485	10,058
Foreign			
Foreign subsidiaries	8,737	5,275	2,389
Other	6,751	5,407	4,328
Total currently payable (refundable)	(50,049)	(14,942)	97,932
Deferred			
Federal	123,818	96,627	2,526
State	6,531	5,215	(458)
Investment credits amortized	(10,000)	(8,200)	(4,500)
Total deferred	120,349	93,642	(2,432)
Total provision for taxes on income	$ 70,300	$ 78,700	$ 95,500

The significant components of deferred taxes on income included in the provision for taxes on income are as follows:

	1983	1982	1981
Excess of tax over book depreciation	$ 89,193	$ 54,090	$ 3,350
Difference between investment credits claimed for tax purposes and amortization under deferral method for financial reporting purposes	17,000	39,741	330
Interest capitalized for financial reporting purposes	12,700	11,840	
Epcot Center expenses deferred for financial reporting purposes	990	9,400	
Difference between Epcot Center participant fees included in income for tax purposes and deferred for financial reporting purposes	(5,584)	(16,280)	(11,920)
Other	6,050	(5,149)	5,808
Total provision for deferred taxes on income	$120,349	$ 93,642	$ (2,432)

Primarily as a result of investment tax credits and excess of tax over book depreciation relating to Epcot Center, the Company recorded estimated claims for refundable income taxes of $70,000 at September 30, 1983 ($41,000—1982).

Net current deferred taxes of $36,575 at September 30, 1983 ($11,036—1982) are included in Taxes on income under Current Liabilities.

The balance of deferred investment tax credits amounted to $76,111 at September 30, 1983 ($59,111—1982) and is included in Deferred Taxes on Income and Investment Credits.

The difference between the U.S. federal income tax rate and the Company's effective income tax rate is explained below:

	1983	1982	1981
Federal income tax rate	46.0%	46.0%	46.0%
State income taxes, net of federal income tax benefit	2.9	2.6	2.4
Reduction in taxes resulting from investment tax credits	(6.1)	(4.6)	(2.1)
Other	.2		(2.3)
Effective income tax rate	43.0%	44.0%	44.0%

5. Pension and Retirement Plans (In thousands of dollars)

The Company contributes to various domestic trusteed pension plans under union and industry-wide agreements. Contributions are based on the hours worked by or gross wages paid to covered employees.

The Company has pension plans covering substantially all of its domestic employees not covered by union or industry pension plans. The plans are funded by Company and employee payments to a trust administered by a bank.

A comparison of accumulated plan benefits for the defined benefit plans with net assets available for benefits as of the dates of the latest actuarial valuations is as follows:

	1983	1982
Vested	$ 43,000	$ 30,590
Nonvested	8,800	6,530
Actuarial present value of accumulated plan benefits	$ 51,800	$ 37,120
Net assets available for benefits	$ 58,600	$ 40,500

The rates of return used in determining the actuarial present value of accumulated plan benefits, based on Pension Benefit Guaranty Corporation interest assumptions, were 8-1/4% for 1983 and 8-3/4% for 1982.

The Company also has a non-qualified and unfunded key employee retirement plan providing for Company and domestic employee contributions. The amount accrued as a long term liability under this plan was $21,520 at September 30, 1983 ($17,413—1982); the actuarially computed unrecorded past service liability at the date of the latest determination was approximately $9,500.

The aggregate amounts expensed for all of these plans were $9,609, $9,294 and $7,598 for fiscal years 1983, 1982 and 1981, respectively, including amortization of actuarially computed prior service costs, where applicable, over periods ranging up to thirty more years.

6. Stock Option and Ownership Plans
(In thousands of dollars, except per share data)

Stock Option Plans
The Company grants stock options under its 1973 and 1980 Stock Option Plans and under its 1981 Incentive Plan to key executive, management and creative personnel at prices equal to market price at date of grant. The options and prices set forth below have been adjusted, where applicable, for all subsequent stock splits and stock dividends.

Transactions under the various Plans during fiscal year 1983 were as follows:

	Number of Shares	
	Options Granted	Available For Grant
Outstanding September 30, 1982 ($20.77 to $64.31 per share)	1,220,141	627,410
Options terminated	(31,669)	27,682
Options granted	15,134	(15,134)
Options exercised	(127,689)	
SAR's exercised	(79,717)	
Outstanding September 30, 1983 ($20.77 to $80.63 per share)	996,200*	639,958

*Includes 311,960 options with SAR's.

Options are exercisable beginning not less than one year after date of grant. All options expire ten years after date of grant. At September 30, 1983, options on 264,826 shares granted under the 1973 Plan were exercisable at $20.77 to $55.25 per share; options on 232,083 shares granted under the 1980 Plan were exercisable at $51.75 to $64.31 per share; and options on 43,150 shares granted under the 1981 Stock Option Plan, a component of the 1981 Incentive Plan, were exercisable at $55.25 per share.

The 1980 Stock Option Plan and 1981 Incentive Plan permit the granting of stock appreciation rights (SAR's) in connection with any option granted under these plans or under the 1973 Stock Option Plan. In lieu of exercising a stock option, SAR holders are entitled, upon exercise of an SAR, to receive cash or common shares or a combination thereof in an amount equal to the excess of the fair market value of such shares on the date of exercise over the option price.

As of September 30, 1983, SAR's were outstanding with respect to 311,960 shares subject to options under the 1973 and 1980 Stock Option and 1981 Incentive Plans. These SAR's were granted to a limited number of key employees. Income and overhead accounts were charged with $3,460 during fiscal year 1983 ($1,869—1982 and $522—1981) with respect to SAR's.

Stock Ownership Plans
The Company has an Employee Stock Ownership Plan (ESOP) for salaried employees. This plan was amended to comply with the Economic Recovery Tax Act of 1981 and, as a result, contributions were terminated as of December 31, 1982. As of that date, under the Plan's provisions, the Company has claimed an additional 1% of the Company's qualified capital investments as an investment tax credit and paid such an amount to a trust which then purchases shares of the Company's stock in the open market for the employees' benefit. Relating to fiscal 1982 and 1981, respectively, $4,711 and $583 have been used to purchase 74,612 and 10,758 shares of common stock. The Company also claimed a further tax credit equal to an additional 1/2% of the Company's qualified capital investments through December 31, 1982 which was used to match employee contributions. Relating to fiscal 1982 and 1981, respectively, the matching employer contributions of $2,115 and $281 have been used to purchase 67,106 and 10,380 shares of common stock.

The Company has established a new Payroll Based Employee Stock Ownership Plan effective January 1, 1983 for all regular employees with three years of service.

7. Stockholders Equity
(In thousands, except per share data)

	Common Shares Issued and Outstanding		Retained Earnings
	Number	Amount	
Balance at September 30, 1980	32,354	$ 537,689	$ 537,109
Exercise of stock options	79	2,268	
Income tax benefit from exercise of stock options		978	
Dividends ($1.00 per share)			(32,406)
Net income			121,480
Balance at September 30, 1981	32,433	540,935	626,183
Exercise of stock options	30	917	
Income tax benefit from exercise of stock options		198	
Common stock issued for Retlaw acquisition*	888	46,200	
Dividends ($1.20 per share)			(39,742)
Net income			100,093
Balance at September 30, 1982	33,351	588,250	686,534
Exercise of stock options	128	4,784	
Income tax benefit from exercise of stock options		1,657	
Stock offering in February, 1983	1,100	70,883	
Common stock returned for Retlaw acquisition*	(70)	(3,640)	
Dividends ($1.20 per share)			(41,100)
Net income			93,160
Balance at September 30, 1983	34,509	$ 661,934	$ 738,594

*The acquisition for stock in January, 1982 of certain assets from Retlaw Enterprises, Inc. (a company owned by the family of the late Walter E. Disney) was adjusted by the return of 70,000 common shares resulting from the settlement of a stockholders' suit in fiscal 1983, which is subject to final Court approval.

8. Detail of Certain Balance Sheet Accounts

(In thousands of dollars)

Other Assets

	1983	1982
Walt Disney name rights, net of amortization	$ 35,995	$ 39,333
Epcot Center and The Disney Channel preopening and start-up costs, net of amortization	32,545	21,077
9.5% notes receivable		25,500
Other	25,146	17,112
	$ 93,686	$ 103,022

Accounts Payable, Payroll and Other Accrued Liabilities

	1983	1982
Accounts payable — trade	$ 62,291	$ 65,846
Accounts payable — construction contracts	14,315	58,992
Payroll and employee benefits	56,192	41,413
Unearned deposits and advances	24,410	25,298
Property, payroll and other taxes	13,830	9,199
Cash dividends payable	10,353	10,005
Long term borrowings due within one year	6,250	
	$ 187,641	$ 210,753

Other Long Term Liabilities and Non-Current Advances

	1983	1982
Epcot Center participation fees*	$ 85,146	$ 75,961
Key employee retirement plan (Note 5)	21,520	17,413
Other	4,208	1,365
	$ 110,874	$ 94,739

*Pursuant to participation agreements with corporate sponsors, the Company expects to have received approximately $375 million in Epcot Center participation fees through 1994 of which $104 million has been received as of September 30, 1983.

9. Business Segments (In thousands of dollars)

The Company operates in three business segments: Entertainment and Recreation, Motion Pictures, and Consumer Products and Other. These business segments are identified in the Description of the Business in Note 1.

The Consolidated Statement of Income presents revenues and operating income by business segment. The Motion Pictures business segment includes a $28.3 million operating loss incurred by The Disney Channel since it commenced operations in April, 1983. Additional financial information relative to business segments follows.

Total consolidated revenues include foreign revenues (export sales) related to the following geographic areas:

	1983	1982	1981
Europe	$ 68,464	$ 82,242	$ 84,932
Far East and Australia	47,207	26,826	21,761
Western Hemisphere (excluding the United States)	22,082	24,706	26,014
Other	3,046	1,845	2,428
	$ 140,799	$ 135,619	$ 135,135

Capital expenditures for property, plant and equipment by business segment were:

	1983	1982	1981
Entertainment and recreation	$ 287,940	$ 645,632	$ 344,361
Motion pictures	1,845	2,794	4,040
Consumer products and other	222	66	277
Corporate	1,195	273	110
	$ 291,202	$ 648,765	$ 348,788

Depreciation expense of property, plant and equipment by business segment was:

	1983	1982	1981
Entertainment and recreation	$ 88,059	$ 40,078	$ 37,338
Motion pictures	1,643	1,517	1,200
Consumer products and other	135	118	155
Corporate	347	204	193
	$ 90,184	$ 41,917	$ 38,886

Amortization expense of film production and programming costs (classified under Motion Pictures) was $65.6, $64.9 and $55.2 million for fiscal years 1983, 1982 and 1981, respectively. Included in 1983 amortization are writedowns totaling $26.4 million of three new live action releases to their expected net realizable values ($27.7 million — 1982 and $20.5 million — 1981).

Identifiable assets by business segment were:

	1983	1982	1981
Entertainment and recreation	$ 2,018,787	$ 1,808,731	$ 1,141,657
Motion pictures	180,201	146,337	157,106
Consumer products and other	37,381	34,129	39,239
Corporate	144,826	113,619	272,007
	$ 2,381,195	$ 2,102,816	$ 1,610,009

10. Commitments and Contingencies

The Company's subsidiary, Buena Vista Distribution Co., Inc., is a defendant with other motion picture distributors in a number of private treble damage actions asserting claims under federal or state anti-trust laws. These actions, which seek damages aggregating hundreds of millions of dollars, are in various stages of pretrial proceedings. The Company has denied the material allegations of the complaints in these actions, and in the opinion of management and counsel, the Company will not suffer any material liability by reason thereof.

Supplementary Information Regarding Inflation and Changing Prices

General Background

Inflation has become a subject of increasing significance in the U.S. economy during the past decade. During periods of continuing inflation the purchasing power of the dollar is eroded, meaning that it requires more dollars to purchase the same goods and services.

The primary financial statements traditionally reflect the historic cost rather than the current cost of assets required to maintain an enterprise's productive capability. Transactions are recorded in terms of the number of dollars actually received or expended without regard to changes in the purchasing power of the currency or changes in the cost of goods and services consumed.

There is no universally accepted method for measuring the effect of inflation in financial statements. In recognition of the need, however, to provide readers of financial statements with information to assist them in assessing that impact, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 33, "Financial Reporting and Changing Prices" (SFAS 33). The general objectives of reporting the effects of changing prices as expressed in SFAS 33 are to help users assess (a) future cash flows, (b) the maintenance of operating capability, (c) financial performance, and (d) the maintenance of general purchasing power.

The Statement prescribes two supplementary income computations. One deals with the effects of general inflation (constant dollars) and the other deals with the effects of changes in the specific prices of the resources actually used in the operations of the enterprise (current cost).

Under the "constant dollar" method, historical cost financial information is adjusted only for changes that have occurred in the general purchasing power of the dollar as measured by the Consumer Price Index for all Urban Consumers (CPI-U).

Under the "current cost" method, historical cost financial information is adjusted for changes in specific prices. Changes in specific prices may be due in part to changes in general purchasing power and in part to other market factors (such as technological improvements, variations in supply and demand for skills and commodities and shifts in consumer tastes). As a result, specific productive assets are measured at the current costs of replacement rather than at the historic costs originally incurred to acquire them. Current cost measurement techniques used by the Company include direct pricing, application of specific indexes, and functional and unit pricing.

Constant dollar and current cost adjustments for the current fiscal year are as follows:

SUPPLEMENTARY STATEMENT OF CONSOLIDATED INCOME ADJUSTED FOR CHANGING PRICES

For The Year Ended September 30, 1983
(In thousands of dollars, except per share data)

	As Included In Primary Financial Statements (Historical Cost)	As Adjusted For General Inflation (Constant Dollar)	As Adjusted For Changes In Specific Prices (Current Cost)
Revenues	$ 1,307,357	$ 1,307,357	$ 1,307,357
Costs and expenses			
Cost of goods sold	200,077	202,000	203,000
Depreciation	90,184	131,000	133,000
Amortization	65,575	68,000	68,000
Other expenses	773,995	773,995	773,995
Interest expense—net	14,066	14,066	14,066
Taxes on income	70,300	70,300	70,300
Total costs and expenses	1,214,197	1,259,361	1,262,361
Net income	$ 93,160	$ 47,996	$ 44,996
Earnings per share	$ 2.70	$ 1.39	$ 1.30
Gain from decline in purchasing power of net amounts owed		$ 21,400	$ 21,400
Increase in specific prices (current cost) of inventories, film production costs, and property, plant and equipment*			$ 217,000
Effects of increase in general inflation			80,000
Excess of increase in specific prices over the general price level			$ 137,000

*At September 30, 1983, the current cost of inventories was $78,800, film production costs net of amortization was $141,000, and property, plant and equipment net of accumulated depreciation was $2,650,000.

Net assets at year end are increased by $720 million when the cost of inventories, film production costs and the cost of property, plant and equipment are adjusted to average 1983 dollars (constant dollar) and by $794 million when adjusted to specific prices (current cost). This increase in the valuation of assets results in an increase in depreciation expense of $41 million (constant dollar) and $43 million (current cost). This adjustment of depreciation expense is the primary cause of the decrease in net income adjusted for the effects of inflation. In computing the above amounts, normal service lives and depreciation/amortization rates have been applied to the adjusted amounts. No adjustments are made to fully depreciated assets currently utilized in the Company's business. Revenues and all other expenses are considered to reflect the average price levels for the year and accordingly have not been adjusted.

Net monetary assets represent cash or claims to cash less amounts owed. When prices are increasing, the holding of monetary assets results in a loss in general purchasing power. Similarly, amounts owed produce a gain in general purchasing power because the amount of money required to settle the liabilities represents dollars of diminishing purchasing power. At September 30, 1983, the excess of monetary liabilities over monetary assets resulted in a net gain in purchasing power.

This gain is presented as supplementary information and has not been included in the Supplementary Statement of Consolidated Income Adjusted For Changing Prices.

Construction costs generally rose at a rate higher than the CPI-U during the year. Because the Company incurred significant construction costs in recent years, increases in specific prices of property, plant and equipment and construction in progress were higher than the increase in the general price level.

As required by SFAS 33, certain selected financial data are restated based on the average CPI-U for the year for each of the five years shown. The amounts as expressed in average 1983 dollars are as follows:

FIVE YEAR COMPARISON OF SELECTED SUPPLEMENTARY FINANCIAL DATA ADJUSTED FOR EFFECTS OF CHANGING PRICES

In Average 1983 Dollars
(In thousands of dollars, except for per share data)

Year Ended September 30	1983	1982	1981	1980	1979
Revenues					
Constant dollars	$ 1,307,357	$ 1,066,000	$ 1,118,000	$ 1,130,000	$ 1,118,000
Net Income					
Constant dollars	$ 48,000	$ 62,700	$ 91,500	$ 118,000	
Current cost	$ 45,000	$ 61,400	$ 89,400	$ 114,700	
Earnings per share					
Constant dollars	$ 1.39	$ 1.88	$ 2.80	$ 3.61	
Current cost	$ 1.30	$ 1.85	$ 2.74	$ 3.53	
Net assets at year end					
Constant dollars	$ 2,130,000	$ 1,970,000	$ 1,890,000	$ 1,870,000	
Current cost	$ 2,150,000	$ 1,930,000	$ 1,870,000	$ 1,890,000	
Cash dividends per common share					
Constant dollars	$ 1.20	$ 1.24	$ 1.11	$ .89	$ .67
Market price per common share at year end					
Constant dollars	$ 60.81	$ 58.62	$ 51.98	$ 58.35	$ 56.46
Gain (loss) from decline in purchasing power of net amounts owed (monetary assets)	$ 21,400	$ 20,300	$ 4,500	$ (25,000)	
Excess of increase in specific prices over the general price level	$ 137,000	$ 36,000	$ 61,000		
Average consumer price index	296	286	266	240	211

Management's Comments and Conclusions

Inflation accounting as required by SFAS 33 involves the use of numerous assumptions, approximations, and estimates, and should be viewed in that context and not as a precise indicator of the effects of inflation. The reader is cautioned not to attach too much significance to any one year's adjusted results. Even when several years are viewed consecutively, the information is considered to be of limited use until the reader completely understands the principles and concepts utilized in compiling the data.

The current cost of goods sold represents estimated costs at the time of sale rather than at the time of purchase. The relatively minor difference between cost of goods sold reported on an historical cost basis and that reported for current cost indicates that the Company's use of the moving average basis of accounting for the cost of its inventories results in cost of goods sold that generally approximates current cost.

As noted above, depreciation adjusted for inflation is significantly higher than the depreciation reported in the primary financial statements. However, this additional theoretical depreciation should not be interpreted as an indication of a decline in the Company's ability to maintain its productive capability. As a result of carefully planned and comprehensive refurbishing programs at its entertainment facilities, the productive capability is continuously renewed. The Company is not confronted with a problem of replacing very old and worn-out capital assets.

The cost of the Company's land, as included in net assets at year end under both the constant dollar and current cost measurement techniques, has been adjusted for changes in the CPI-U. The Company considers no other measure or index more appropriate to determine current cost of the service potential of its land.

In issuing SFAS 46, "Financial Reporting and Changing Prices: Motion Picture Films", the Financial Accounting Standards Board recognized that current cost measures are not appropriate for motion picture films. As a result, amortization of film negative costs has been adjusted for changes in the CPI-U under both the constant dollar and current cost measures of inflation.

In accordance with SFAS 33, no adjustment has been made to the provision for income taxes included in the supplementary statement of income. The effective tax rate for 1983 rises from 43.0% on an historical cost basis to 59.4% on a constant dollar basis and 61.0% on the current cost basis. This information highlights the fact that inflation does erode real earnings growth and that effective tax burdens are often greater than the statutory rate, thus reducing funds available for increasing capacity and stimulating productivity.

Quarterly Financial Summary
(In thousands, except per share data)

Walt Disney Productions
and Subsidiaries

	December 31	March 31	June 30	September 30
OPERATIONS BY QUARTER				
1983				
Revenues				
Entertainment and recreation	$ 203,698	$ 239,741	$ 288,936	$ 298,827
Motion pictures	41,338	46,109	40,533	37,478
Consumer products and other	25,106	29,826	29,032	26,733
Total revenues	$ 270,142	$ 315,676	$ 358,501	$ 363,038
Operating Income (Loss) Before Corporate Expenses				
Entertainment and recreation	$ 24,898	$ 44,930	$ 67,438	$ 59,612
Motion pictures	5,780	6,512	(32,226)	(13,451)
Consumer products and other	11,841	17,812	15,793	11,436
Total operating income before corporate expenses	$ 42,519	$ 69,254	$ 51,005	$ 57,597
Income Before Taxes on Income	$ 30,414	$ 54,020	$ 38,230	$ 40,796
Net Income	$ 17,214	$ 30,020	$ 21,430	$ 24,496
Earnings per Share	$ .51	$ .87	$ .61	$ .70
1982				
Revenues				
Entertainment and recreation	$ 140,794	$ 150,595	$ 207,333	$ 226,888
Motion pictures	44,724	67,906	46,050	43,422
Consumer products and other	26,262	29,174	22,368	24,734
Total revenues	$ 211,780	$ 247,675	$ 275,751	$ 295,044
Operating Income (Loss) Before Corporate Expenses				
Entertainment and recreation	$ 12,238	$ 19,157	$ 43,155	$ 58,095
Motion pictures	5,680	8,972	13,716	(8,729)
Consumer products and other	11,832	15,654	10,913	9,433
Total operating income before corporate expenses	$ 29,750	$ 43,783	$ 67,784	$ 58,799
Income Before Taxes on Income	$ 31,009	$ 38,648	$ 58,799	$ 50,337
Net Income	$ 17,409	$ 21,648	$ 32,899	$ 28,137
Earnings per Share	$ .53	$ .65	$ .98	$ .84

MARKET PRICE AND DIVIDEND DATA

	December 31	March 31	June 30	September 30
1983				
Price per share:				
High	$ 71-1/2	$ 78-3/4	$ 84-3/4	$ 68-1/4
Low	$ 55	$ 60-1/8	$ 65	$ 55-7/8
Dividend per share	$ .30	$ .30	$ .30	$ .30
1982				
Price per share:				
High	$ 55-1/4	$ 54	$ 59-1/4	$ 59
Low	$ 46	$ 47	$ 52-5/8	$ 49-5/8
Dividend per share	$ .30	$ .30	$ .30	$ .30

The principal market for trading Walt Disney Productions common stock is the New York Stock Exchange.

Selected Financial Data

(In thousands, except per share data)

Walt Disney Productions
and Subsidiaries

	1983	1982	1981	1980	1979
Statement of Income Data					
Revenues (Page 46)	**$ 1,307,357**	$ 1,030,250	$ 1,005,040	$ 914,505	$ 796,773
Operating income before corporate expenses	**220,375**	200,116	214,664	231,300	205,695
Corporate expenses	**42,849**	36,104	30,814	25,424	20,220
Interest expense (income)—net	**14,066**	(14,781)	(33,130)	(42,110)	(28,413)
Taxes on income	**70,300**	78,700	95,500	112,800	100,100
Net income	**93,160**	100,093	121,480	135,186	113,788
Balance Sheet Data					
Current assets	**333,102**	262,339	457,829	506,202	484,141
Property, plant and equipment—net of depreciation	**1,871,809**	1,673,238	1,069,369	762,546	648,447
Total assets	**2,381,195**	2,102,816	1,610,009	1,347,407	1,196,424
Current liabilities	**238,198**	237,313	181,573	145,291	119,768
Long term obligations, including commercial paper of $118,200—1983 and $200,000—1982	**457,199**	409,739	171,886	30,429	18,616
Total liabilities and deferred credits	**980,667**	828,032	442,891	272,609	235,362
Total net assets (stockholders equity)	**1,400,528**	1,274,784	1,167,118	1,074,798	961,062
Statement of Changes in Financial Position Data					
Cash provided by operations	**337,356**	274,782	210,805	204,682	182,857
Cash dividends	**41,100**	39,742	32,406	23,280	15,496
Investment in property, plant and equipment	**333,738**	614,416	333,407	149,674	56,629
Investment in film production and programming	**83,750**	52,295	55,454	68,409	44,436
Per Share Data					
Net income (earnings)	**$ 2.70**	$ 3.01	$ 3.72	$ 4.16	$ 3.51
Cash dividends	**1.20**	1.20	1.00	.72	.48
Stockholders equity	**40.58**	38.22	35.99	33.22	29.76
Average number of common and common equivalent shares outstanding during the year	**34,481**	33,225	32,629	32,513	32,426
Other Data					
Stockholders at close of year	**60,000**	61,000	60,000	62,000	65,000
Employees at close of year	**30,000**	28,000	25,000	24,000	21,000

Other Financial Data
(In Thousands)

	1983	1982	1981	1980	1979
ENTERTAINMENT AND RECREATION					
Walt Disney World					
Admissions and rides	**$ 278,320**	$ 153,504	$ 139,326	$ 130,144	$ 121,276
Merchandise sales	**172,324**	121,410	121,465	116,187	101,856
Food sales	**178,791**	121,329	114,951	106,404	95,203
Lodging	**98,105**	81,427	70,110	61,731	54,043
Disneyland					
Admissions and rides	**102,619**	98,273	92,065	87,066	75,758
Merchandise sales	**72,300**	76,684	79,146	72,140	60,235
Food sales	**45,699**	44,481	44,920	41,703	35,865
Participant fees, Walt Disney Travel Co., Tokyo Disneyland royalties and other	**83,044**	28,502	29,828	28,005	26,843
Total revenues	**$ 1,031,202**	$ 725,610	$ 691,811	$ 643,380	$ 571,079
Theme Park Attendance					
Walt Disney World	**22,712**	12,560	13,221	13,783	13,792
Disneyland	**9,980**	10,421	11,343	11,522	10,760
Total	**32,692**	22,981	24,564	25,305	24,552
MOTION PICTURES					
Theatrical					
Domestic	**$ 38,635**	$ 55,408	$ 54,624	$ 63,350	$ 49,594
Foreign	**43,825**	64,525	76,279	78,314	57,288
Television					
Worldwide	**27,992**	44,420	43,672	19,736	27,903
Home Video and Non-Theatrical					
Worldwide	**55,006**	37,749	22,231	10,565	9,273
Total revenues	**$ 165,458**	$ 202,102	$ 196,806	$ 171,965	$ 144,058
CONSUMER PRODUCTS AND OTHER					
Character merchandising	**$ 45,429**	$ 35,912	$ 30,555	$ 29,631	$ 24,787
Publications	**20,006**	20,821	24,658	22,284	18,985
Records and music publishing	**30,666**	26,884	27,358	23,432	16,129
Educational media	**10,269**	15,468	21,148	21,908	19,967
Other	**4,327**	3,453	12,704	1,905	1,768
Total revenues	**$ 110,697**	$ 102,538	$ 116,423	$ 99,160	$ 81,636

Transitions

Robert H. B. Baldwin was elected to the Board of Directors in April. He is the former chairman and managing director of Morgan Stanley Inc., the New York investment banking company he joined in 1946. He served as Under Secretary of the Navy from 1965 to 1967, is a member of the policy committee of the Business Roundtable, a member of the Council on Foreign Relations and a trustee of Presbyterian Hospital in New York City, the Geraldine Rockefeller Dodge Foundation, and the Committee for Economic Development.

Samuel L. Williams was elected to the Board of Directors in November. A senior partner in the Los Angeles law firm of Hufstedler, Miller, Carson & Beardsley, he is a past president of the Los Angeles Police Commission, the Los Angeles County Bar Association and the State Bar of California. A member and vice chairman of the Affirmative Action Committee of the American Bar Association, he also serves on the boards of directors of Bank of California, the Los Angeles Chamber of Commerce, and the National Conference of Christians and Jews.

Gordon E. Youngman, a member of the Board of Directors for 30 years and director-emeritus at the time of his death, passed away May 20, 1983. A founding partner of the law firm of Youngman, Hungate & Leopold, he had been involved in the entertainment industry for more than 50 years and had served as chief operating officer of RKO Studios in the late 1940s. His wisdom and counsel will be profoundly missed.

Board of Directors

Caroline Leonetti Ahmanson*†
Business woman, civic leader and philanthropist

William H. Anderson
Independent Producer

Robert H. B. Baldwin†§
Chairman — Advisory Board, Morgan Stanley, Inc. (investment bankers)

Roy E. Disney*
Chairman of the Board, Shamrock Holdings, Inc. (radio and television broadcasting)

Philip M. Hawley†§
President and Chief Executive Officer, Carter Hawley Hale Stores, Inc. (retail merchandising)

Ignacio E. Lozano, Jr.*†
Publisher, LA OPINION (newspaper publishing)

Ronald W. Miller‡
President and Chief Executive Officer

Richard T. Morrow
Vice President — General Counsel

Richard A. Nunis
Executive Vice President — Walt Disney World/Disneyland

Donn B. Tatum‡§
Chairman of the Finance Committee

E. Cardon Walker‡
Chairman of the Executive Committee

Raymond L. Watson‡
Chairman of the Board

Samuel L. Williams
Senior Partner, Hufstedler, Miller, Carlson & Beardsley (law firm)

Corporate Management Committee

Ronald W. Miller, Chairman; Michael L. Bagnall, Richard L. Berger, Carl G. Bongirno, Barton K. Boyd, Ronald J. Cayo, James P. Jimirro, Jack B. Lindquist, Richard A. Nunis, Martin A. Sklar

**Member of Audit Review Committee*
†Member of Compensation Committee
‡Member of Executive Committee
§Member of Finance Committee

Corporate Officers

Ronald W. Miller
President and Chief Executive Officer

Raymond L. Watson
Chairman of the Board

E. Cardon Walker
Chairman of the Executive Committee

Michael L. Bagnall
Executive Vice President—Finance

Carl G. Bongirno
Executive Vice President—Administration

Barton K. Boyd
Executive Vice President—Consumer Products and Merchandising

Ronald J. Cayo
Executive Vice President—Business Affairs and Legal

James P. Jimirro
Executive Vice President—Telecommunications

Jack B. Lindquist
Executive Vice President—Marketing

Richard A. Nunis
Executive Vice President—Walt Disney World/Disneyland

Martin A. Sklar
Executive Vice President—WED Creative Development

John J. Cornwell
Vice President—Management Information Systems

Jose M. Deetjen
Vice President—Tax Administration and Counsel

Dennis M. Despie
Vice President—Entertainment

Robert W. Gibeaut
Vice President—Studio Operations

Luther R. Marr
Vice President—Corporate and Stockholder Affairs

Richard T. Morrow
Vice President—General Counsel

Howard M. Roland
Vice President—Construction Contract Administration and Purchasing

Doris A. Smith
Vice President and Secretary

Frank P. Stanek
Vice President—Corporate Planning

Donald A. Escen
Treasurer

Bruce F. Johnson
Controller

Leland L. Kirk
Assistant Secretary-Treasurer

Neal E. McClure
Assistant Secretary

Alvin L. Shelbourn
Assistant Treasurer

Donald E. Tucker
Assistant Treasurer

Douglas E. Houck
Assistant Controller

Joe E. Stevens
Assistant Controller

Principal Domestic Divisions (*) and Subsidiaries with Chief Operating Executives

Buena Vista Distribution Co., Inc.
Charles E. Good, President

Buena Vista International, Inc.
Harold P. Archinal, President

Canasa Trading Corporation
Harold P. Archinal, President

The Disney Channel
James P. Jimirro, President

Disneyland*
Richard A. Nunis, President

Disneyland, Inc.
Richard A. Nunis, President

Lake Buena Vista Communities, Inc.
Richard A. Nunis, President

MAPO*
Carl G. Bongirno, President

Reedy Creek Utilities Co., Inc.
Ronald J. Cayo, President

United National Operating Co.*
Barton K. Boyd, President

Vista Advertising*
Jack B. Lindquist, President

Vista Insurance Services, Inc.
Philip N. Smith, President

Vista-United Telecommunications
(a Florida Partnership)
James Tyler, General Manager

Walt Disney Educational Media Company*
James P. Jimirro, President

Walt Disney Music Company
Gary Krisel, President

Walt Disney Pictures
Richard L. Berger, President

Walt Disney Telecommunications and Non-Theatrical Company
James P. Jimirro, President

Walt Disney Television*
William Brademan, President

Walt Disney Travel Co., Inc.
Jack B. Lindquist, President

Walt Disney World Co.
Richard A. Nunis, President

WED Enterprises*
Carl G. Bongirno, President
Martin A. Sklar, Executive Vice President

WED Transportation Systems, Inc.
Richard A. Nunis, Chairman and President

Wonderland Music Company, Inc.
Gary Krisel, President

Foreign Subsidiaries With Principal Marketing Executives

BELGIUM
Walt Disney Productions (Benelux) S.A.
Andre Vanneste

CANADA
Walt Disney Music of Canada Limited
James K. Rayburn

DENMARK
Walt Disney Productions A/S Danmark
Gunnar Mansson

FRANCE
Walt Disney Productions (France) S.A.
Armand Bigle, Richard Dassonville, Dominique Bigle

GERMANY
Walt Disney Productions (Germany) GmbH
Horst Koblischek

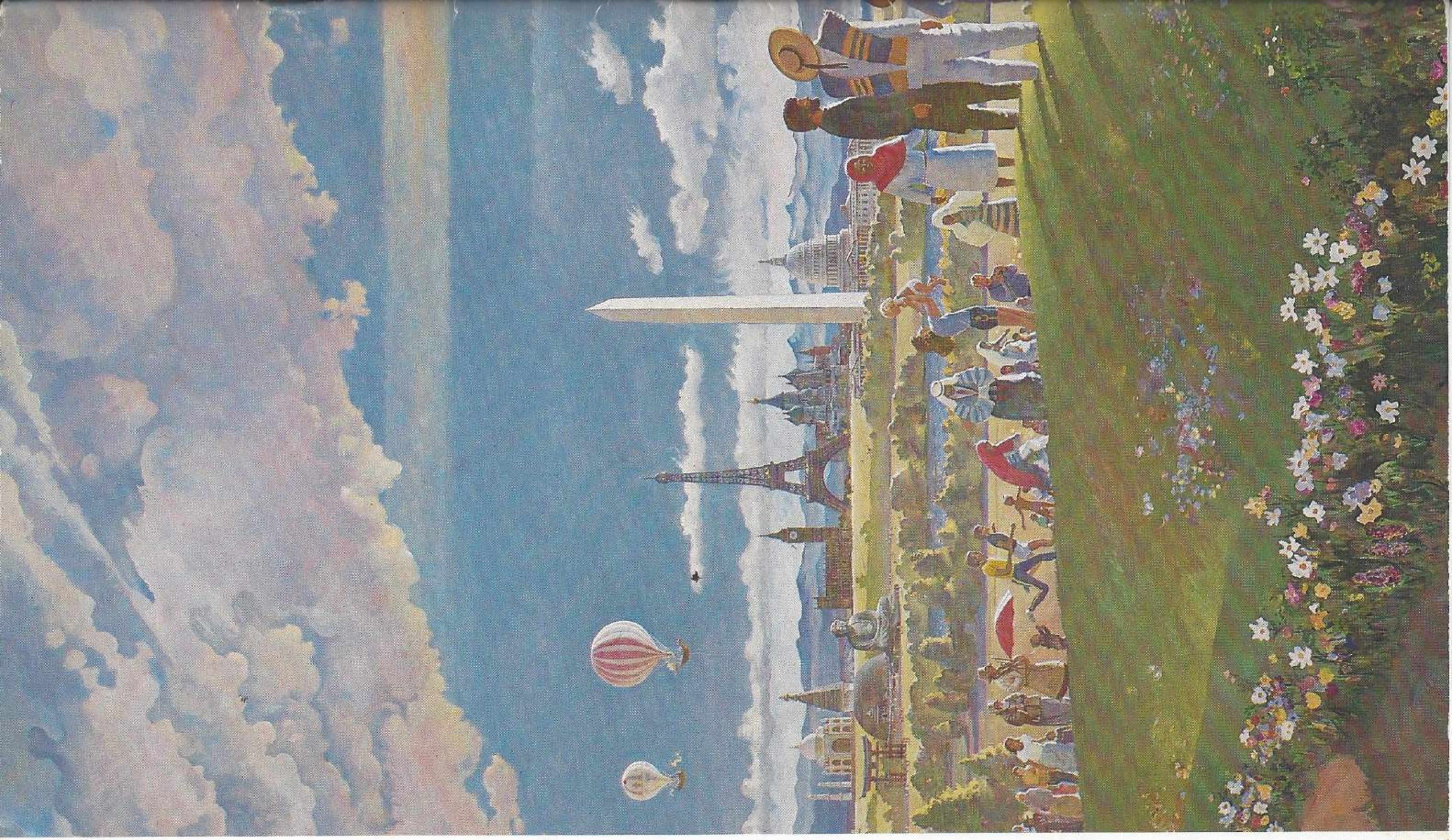
ITALY
Creazioni Walt Disney S.p.A.I.
Antonio Bertini

JAPAN
Walt Disney Enterprises of Japan Ltd.
Matsuo Yokoyama
Walt Disney Productions Japan, Ltd.
Yosaku Seki, Mamoru Morita, James B. Cora

PORTUGAL
Walt Disney Portuguesa Criacoes Artisticas Lda.
Laszlo Hubay Cebrian

SPAIN
Walt Disney Iberica, S.A.
Enrique Stuyck

UNITED KINGDOM
Walt Disney Productions Limited
Dino Troni, Monty Mendelson, Terry Byrne, Keith Bales



WALT DISNEY
PRODUCTIONS

500 S. BUENA VISTA ST.
BURBANK, CA 91521

BULK RATE
U.S. POSTAGE
PAID
WALT DISNEY
PRODUCTIONS